

# DEPARTMENT OF AGRICULTURE

## OFFICE OF THE SECRETARY

### *Federal Funds*

#### General and special funds:

#### OFFICE OF THE SECRETARY (INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Secretary of Agriculture, and not to exceed \$75,000 for employment under 5 U.S.C. 3109, **[\$2,836,000] \$2,941,000**. *Provided*, That not to exceed \$11,000 of this amount, along with any unobligated balances of representation funds in the Foreign Agricultural Service, shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary: *Provided further*, That none of the funds appropriated or otherwise made available by this Act may be used to pay the salaries and expenses of personnel of the Department of Agriculture to carry out section 793(c)(1)(C) of Public Law 104-127: *Provided further*, That none of the funds made available by this Act may be used to enforce section 793(d) of Public Law 104-127.

#### OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary salaries and expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded in this Act, **[\$613,000] \$636,000**.

#### OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS (INCLUDING TRANSFERS OF FUNDS)

For necessary salaries and expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded in this Act, including programs involving intergovernmental affairs and liaison within the executive branch, **[\$3,668,000] \$3,814,000**. *Provided*, That no other funds appropriated to the Department by this Act shall be available to the Department for support of activities of congressional relations: *Provided further*, That not less than **[\$2,241,000] \$2,332,000** shall be transferred to agencies funded in this Act to maintain personnel at the agency level.

#### OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS

For necessary salaries and expenses of the Office of the Under Secretary for Research, Education and Economics to administer the laws enacted by the Congress for the Economic Research Service, the National Agricultural Statistics Service, the Agricultural Research Service, and the Cooperative State Research, Education, and Extension Service, **[\$540,000] \$560,000**.

#### OFFICE OF THE ASSISTANT SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

For necessary salaries and expenses of the Office of the Assistant Secretary for Marketing and Regulatory Programs to administer programs under the laws enacted by the Congress for the Animal and Plant Health Inspection Service, the Agricultural Marketing Service, and the Grain Inspection, Packers and Stockyards Administration, **[\$618,000] \$642,000**.

#### OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

For necessary salaries and expenses of the Office of the Under Secretary for Food Safety to administer the laws enacted by the Congress for the Food Safety and Inspection Service, **[\$446,000] \$598,000**.

#### OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Farm and Foreign Agricultural Services to administer the laws enacted by Congress for the Farm Service Agency, the Foreign Agricultural Service, the Risk Management Agency, and the Commodity Credit Corporation, **[\$572,000] \$597,000**.

#### OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

For necessary salaries and expenses of the Office of the Under Secretary for Natural Resources and Environment to administer the laws enacted by the Congress for the Forest Service and the Natural Resources Conservation Service, **[\$693,000] \$719,000**.

#### OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

For necessary salaries and expenses of the Office of the Under Secretary for Rural Development to administer programs under the laws enacted by the Congress for the Rural Housing Service, the Rural Business-Cooperative Service, and the Rural Utilities Service of the Department of Agriculture, **[\$588,000] \$611,000**.

#### OFFICE OF THE UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Food, Nutrition and Consumer Services to administer the laws enacted by the Congress for the Food and **[Consumer] Nutrition Service, [\$554,000] \$573,000**. (7 U.S.C. 2201-2202; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)			
Identification code 12-0115-0-1-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Office of the Secretary .....	3	3	3
00.02 Under/Assistant Secretaries .....	6	6	6
00.03 Service Center Implementation .....	1	2	1
10.00 Total obligations .....	10	11	10
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	4	3	1
22.00 New budget authority (gross) .....	9	9	9
23.90 Total budgetary resources available for obligation	13	12	10
23.95 New obligations .....	-10	-11	-10
24.40 Unobligated balance available, end of year:			
Uninvested .....	3	1	.....
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	11	11	12
41.00 Transferred to other accounts .....	-2	-2	-2
43.00 Appropriation (total) .....	9	9	10
70.00 Total new budget authority (gross) .....	9	9	10
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	4	6	3
73.10 New obligations .....	10	11	10
73.20 Total outlays (gross) .....	-7	-14	-12
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	6	3	1
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	7	8	9
86.93 Outlays from current balances .....	.....	6	3
87.00 Total outlays (gross) .....	7	14	12
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	9	9	9
90.00 Outlays .....	7	14	12

The Office of the Secretary covers the overall planning, coordination, and administration of the Department's programs. This includes the Secretary, Deputy Secretary, Under Secretaries, Assistant Secretaries, and their immediate staffs,

**General and special funds—Continued**

**OFFICE OF THE UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES—Continued**

who provide top policy guidance for the Department; maintain relationships with agricultural organizations and others in the development of farm programs; and provide liaison with the Executive Office of the President and Members of Congress on all matters pertaining to agricultural policy.

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

Identification code 12-0115-0-1-352	1997 actual	1998 est.	1999 est.
11.1 Personnel compensation: Full-time permanent .....	6	6	6
12.1 Civilian personnel benefits .....	1	2	2
25.2 Other services .....	2	2	1
99.0 Subtotal, direct obligations .....	9	10	9
99.5 Below reporting threshold .....	1	1	1
99.9 Total obligations .....	10	11	10

**Personnel Summary**

Identification code 12-0115-0-1-352	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	61	82	82

**FUND FOR RURAL AMERICA**

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

Identification code 12-0012-0-1-999	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Rural development activities .....	44	50	50
00.02 Research, extension and education grants .....	2	34	50
10.00 Total obligations .....	46	34	100
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year: Uninvested .....		34	
22.00 New budget authority (gross) .....	80		100
23.90 Total budgetary resources available for obligation .....	80	34	100
23.95 New obligations .....	-46	-34	-100
24.40 Unobligated balance available, end of year: Uninvested .....	34		
<b>New budget authority (gross), detail:</b>			
60.00 Appropriation .....	80		100
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested .....		5	22
73.10 New obligations .....	46	34	100
73.20 Total outlays (gross) .....	-41	-17	-66
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested .....	5	22	56
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	41		55
86.98 Outlays from permanent balances .....		17	11
87.00 Total outlays (gross) .....	41	17	66
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	80		100
90.00 Outlays .....	41	17	66

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

Identification code 12-0012-0-1-999	1997 actual	1998 est.	1999 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Section 502 housing loans .....	109		

1150 Direct Farm Ownership Loans .....	10		
1150 Direct water and waste disposal loans .....	4		
1150 Rural housing for domestic farm labor loans .....	1		
1159 Total direct loan levels .....	124		
Direct loan subsidy (in percent):			
1320 Section 502 housing loans .....	14.18		
1320 Direct Farm Ownership Loans .....	21.03		
1320 Direct water and waste disposal loans .....	9.02		
1320 Rural housing for domestic farm labor loans .....	47.77		
1329 Weighted average subsidy rate .....	18.40		
Direct loan subsidy budget authority:			
1330 Section 502 housing loans .....	15		
1330 Direct Farm Ownership Loans .....	2		
1330 Direct water and waste disposal loans .....	1		
1330 Rural housing for domestic farm labor loans .....	1		
1339 Total subsidy budget authority .....	19		
Direct loan subsidy outlays:			
1340 Section 502 housing loans .....	15		
1340 Direct Farm Ownership Loans .....	2		
1340 Direct water and waste disposal loans .....	1		
1340 Rural housing for domestic farm labor loans .....	1		
1349 Total subsidy outlays .....	19		

The Federal Agriculture Improvement and Reform Act of 1996 (1996 Act) established the Fund for Rural America to provide support to rural communities across the United States. The 1996 Act provided that \$100 million be made available on January 1, 1997 for use by the Fund. The 1997 Emergency Supplemental Appropriations Act for Recovery for Natural Disasters (P.L. 105-18) limited the available funding for the Fund to \$80 million. As authorized by the 1996 Act, the Secretary of Agriculture allocated the available funding between rural development and research activities. The Act specifies that at least one-third of the funds be allocated to rural development activities and one-third to research activities. No more than two-thirds of the available funds may be made available for rural development activities.

In 1997, the Secretary allocated \$44 million of the available funding to support ongoing rural development activities. A portion of this funding was used to reduce the existing backlogs in high priority rural development programs including the Water and Waste Disposal Loans and Grants, Section 502 Single Family Housing Loans, and the Distance Learning/Medical Link programs. Another portion was used to bolster current operations of the Alternative Agricultural Research and Commercialization Corporation, and fund additional Rural Business Enterprise Grants, Farm Labor Loans/Grants, and technical assistance to the Enterprise Communities and Empowerment Zones. Funding was also used to fund additional loans in the Beginning Farmer Loan program and additional grants under Section 2501 for Outreach for Socially Disadvantaged Producers.

Another \$36 million was provided for research, extension, and education grants. Of this \$36 million, \$26 million was allocated to projects designed to: (1) increase international competitiveness, profitability and efficiency; (2) enhance the economic standing of rural communities; and (3) improve environmental stewardship. An additional \$8 million was allocated to research activities that focus specifically on the development of methods to counter increasing concentration within the livestock and poultry industries, improvement in the food safety arena with specific emphasis on assisting small business establishments to achieve the new HACCP/Pathogen reductions, identification of the disease prevention potential of various foods, and the promotion of gleaning and food recovery efforts. The remaining \$2 million funds a new research initiative to address barriers to the full implementation of cutting edge telecommunications technology in rural America.

The 1996 Farm Bill authorized \$100 million for the Fund in each of 1997, 1999, and 2000. The Department's 1998 budget included a proposal to shift the \$100 million available in 2000 to 1998 in order to facilitate more consistent and

efficient program delivery. Since this proposal was not accepted, no funding is authorized for the Fund in 1998.

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

Identification code 12-0012-0-1-999	1997 actual	1998 est.	1999 est.
25.1 Advisory and assistance services .....	1		
41.0 Grants, subsidies, and contributions .....	45	34	100
99.9 Total obligations .....	46	34	100

**Trust Funds**

**GIFTS AND BEQUESTS**

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

Identification code 12-8203-0-7-352	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year .....	1	1	1
Receipts:			
02.01 Gifts and bequests .....	1	1	1
04.00 Total: Balances and collections .....	2	2	2
Appropriation:			
05.01 Gifts and bequests .....	-1	-1	-1
07.99 Total balance, end of year .....	1	1	1

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

Identification code 12-8203-0-7-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations (object class 99.5) .....	1	1	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	1	1	1
22.00 New budget authority (gross) .....	1	1	1
23.90 Total budgetary resources available for obligation	2	2	2
23.95 New obligations .....	-1	-1	-1
24.40 Unobligated balance available, end of year:			
Uninvested .....	1	1	1
<b>New budget authority (gross), detail:</b>			
60.27 Appropriation (trust fund, indefinite) .....	1	1	1
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....	1	1	1
73.20 Total outlays (gross) .....	-1	-1	-1
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1	1	1
90.00 Outlays .....	1	1	1

The Secretary is authorized to accept and administer gifts and bequests of real and personal property to facilitate the work of the Department. Property and the proceeds thereof are used in accordance with the terms of the gift or bequest (7 U.S.C. 2269).

**EXECUTIVE OPERATIONS**

**Federal Funds**

**General and special funds:**

EXECUTIVE OPERATIONS

CHIEF ECONOMIST

For necessary expenses of the Chief Economist, including economic analysis, risk assessment, cost-benefit analysis, and the functions of the World Agricultural Outlook Board, as authorized by the Agri-

cultural Marketing Act of 1946 (7 U.S.C. 1622g), and including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$5,000 is for employment under 5 U.S.C. 3109, **[\$5,048,000] \$5,823,000.**

**COMMISSION ON 21ST CENTURY PRODUCTION AGRICULTURE**

For establishment of the Commission on 21st Century Production Agriculture, as authorized by section 181 of the Federal Agriculture Improvement and Reform Act, (7 U.S.C. 7311-7318), of which not to exceed \$20,000 is for employment under 5 U.S.C. 3109, **\$350,000.**

**NATIONAL APPEALS DIVISION**

For necessary expenses of the National Appeals Division, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$25,000 is for employment under 5 U.S.C. 3109, **[\$11,718,000] \$13,297,000.**

**OFFICE OF BUDGET AND PROGRAM ANALYSIS**

For necessary expenses of the Office of Budget and Program Analysis, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$5,000 is for employment under 5 U.S.C. 3109, **[\$5,986,000] \$6,045,000.** (7 U.S.C. 2201, 2202; 42 U.S.C. 2000d; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)

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

Identification code 12-0705-0-1-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Chief Economist .....	4	5	6
00.03 National Appeals Division .....	12	12	13
00.04 Budget and Program Analysis .....	6	6	6
10.00 Total obligations .....	22	23	26
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	22	23	26
23.95 New obligations .....	-22	-23	-26
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	22	23	26
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	3	3	3
73.10 New obligations .....	22	23	26
73.20 Total outlays (gross) .....	-21	-23	-26
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	3	3	3
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	19	20	23
86.93 Outlays from current balances .....	2	3	3
87.00 Total outlays (gross) .....	21	23	26
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	22	23	26
90.00 Outlays .....	21	23	26

Executive Operations provides support for USDA policy officials and selected Departmentwide services.

The Office of the Chief Economist advises the Secretary of Agriculture on the economic implications of Department policies and programs and proposed legislation. The Office serves as the single focal point for the Nation's economic intelligence and analysis, risk assessment, and cost-benefit analysis related to domestic and international food and agriculture, and is responsible for coordination and clearance review of all commodity and aggregate agricultural and food-related data used to develop outlook and situation material within the Department.

**WORKLOAD INDICATORS**

	1997 actual	1998 est.	1999 est.
World Agricultural Supply and Demand Estimates Reports issued .....	12	12	12

**General and special funds—Continued**

OFFICE OF BUDGET AND PROGRAM ANALYSIS—Continued

**WORKLOAD INDICATORS—Continued**

	1997 actual	1998 est.	1999 est.
Weekly Weather and Crop Bulletin issued .....	52	52	52
Significant and economically significant regulations reviewed .....	40	40	40

The Federal Agriculture Improvement and Reform (FAIR) Act of 1996 authorized the Commission on the 21st Century Production Agriculture to (1) conduct comprehensive review and assessment of the success of production flexibility contracts in supporting the viability of U.S. farming, and (2) review the future of production agriculture and the appropriate role of the Federal government in it. Funds to support the operating expenses for this Commission are included in this account.

The National Appeals Division conducts administrative hearings and reviews of adverse program decisions made by the Farm Service Agency, the Natural Resources Conservation Service, and the Rural Housing Service.

**PERFORMANCE INDICATORS**

	1997 actual	1998 est.	1999 est.
Regional or National Training .....	3	1	3
NAD Directives Issues .....	1	5	10
Percent of Hearing Officer determinations upheld on review ....	76	80	80
Percent of Director Review determinations for which a reconsideration is requested .....	10	9	8

The Office of Budget and Program Analysis provides overall direction and administration of the Department's budgetary functions including: development, presentation, and execution of the budget; review of program and legislative proposals for programs and budget implications; and analysis of program issues and alternatives and preparation of summaries of pertinent data to aid Departmental policy officials and agency program managers in the decisionmaking process.

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

Identification code 12-0705-0-1-352	1997 actual	1998 est.	1999 est.
11.1 Personnel compensation: Full-time permanent .....	16	16	17
12.1 Civilian personnel benefits .....	3	3	3
21.0 Travel and transportation of persons .....		1	1
23.3 Communications, utilities, and miscellaneous charges .....	1		2
25.2 Other services .....	2	2	2
31.0 Equipment .....		1	1
99.9 Total obligations .....	22	23	26

**Personnel Summary**

Identification code 12-0705-0-1-352	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	246	253	259

**CHIEF FINANCIAL OFFICER**

For necessary expenses of the Office of the Chief Financial Officer, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109, **[\$4,283,000] \$4,562,000. Provided,** That the Chief Financial Officer shall actively market cross-servicing activities of the National Finance Center. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-0014-0-1-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	4	4	5
09.01 Reimbursable program .....	1	2	2

10.00 Total obligations .....	5	6	7
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**Budgetary resources available for obligation:**

22.00 New budget authority (gross) .....	5	6	7
23.95 New obligations .....	-5	-6	-7

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

<b>Current:</b>			
40.00 Appropriation .....	4	4	5
<b>Permanent:</b>			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1	2	2
70.00 Total new budget authority (gross) .....	5	6	7

**Change in unpaid obligations:**

72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....		1	1
73.10 New obligations .....	5	6	7
73.20 Total outlays (gross) .....	-5	-6	-7
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	1	1	1

**Outlays (gross), detail:**

86.90 Outlays from new current authority .....	4	4	4
86.93 Outlays from current balances .....		1	
86.97 Outlays from new permanent authority .....	1	2	2
87.00 Total outlays (gross) .....	5	6	7

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....	-1	-2	-2

**Net budget authority and outlays:**

89.00 Budget authority .....	4	4	5
90.00 Outlays .....	4	4	5

The Office of the Chief Financial Officer (OCFO) supports the Chief Financial Officer in carrying out the dual roles of chief financial management policy officer and chief financial management advisor to the Secretary and mission area heads. OCFO provides leadership for all financial management, accounting, travel, Federal assistance, and performance measurement activities within the Department. It is responsible for the management and operation of the National Finance Center and the Departmental Working Capital Fund, and provides budget, accounting, and fiscal services to the Office of the Secretary, Departmental Staff Offices, Office of Communications, Office of the Chief Information Officer and Executive Operations.

**PERFORMANCE MEASURES**

	1997 actual	1998 est.	1999 est.
A single, integrated, financial information system as defined by OMB Circular A-127 and the Federal Financial Management Improvement Act (FFMIA) .....	Ongoing	25%	75%
All new financial systems and the financial portions of mixed systems are in compliance with Departmentwide standards .....	85%	90%	95%
Percent of fees and other charges reviewed for compliance with applicable principles .....	n/a	n/a	50%
Reduction in the number of FFMIA material weaknesses and corrective action recommendations .....	Base year	10% reduction	10% reduction
Open audit issues are promptly resolved .....	Base year	10% reduction	10% reduction
Customer surveys show increased satisfaction with planning, budget and fund control process .....	n/a	Establish baseline	5% improvement
Increase in collection of delinquent debts .....	Establish baseline	5%	10%
Decrease in number of new loan delinquencies .....	Establish baseline	4%	8%
Continue high percentage of on-time payments under the Prompt Payment Act and low dollar amount of interest paid .....	99%	99%	99%

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

Identification code 12-0014-0-1-352	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	3	3	4
12.1 Civilian personnel benefits .....	1	1	1
99.0 Subtotal, direct obligations .....	4	4	5
99.0 Reimbursable obligations .....	1	1	1
99.9 Total obligations .....	5	6	7

**Personnel Summary**

Identification code 12-0014-0-1-352	1997 actual	1998 est.	1999 est.
<b>Direct:</b>			
1001 Total compensable workyears: Full-time equivalent employment .....	53	61	63
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent employment .....	13	21	21

**OFFICE OF THE CHIEF INFORMATION OFFICER**

For necessary expenses of the Office of the Chief Information Officer, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109, **[\$4,773,000] \$7,222,000.** (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)

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

Identification code 12-0013-0-1-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....		6	7
09.01 Reimbursable program .....		8	7
10.00 Total obligations .....		14	14
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		14	14
23.95 New obligations .....		-14	-14
<b>New budget authority (gross), detail:</b>			
<b>Current:</b>			
40.00 Appropriation .....		5	7
42.00 Transferred from other accounts .....		1	
43.00 Appropriation (total) .....		6	7
<b>Permanent:</b>			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....		8	7
70.00 Total new budget authority (gross) .....		14	14
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....		14	14
73.20 Total outlays (gross) .....		-14	-14
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....		6	7
86.97 Outlays from new permanent authority .....		8	7
87.00 Total outlays (gross) .....		14	14
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....		-8	-7
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		6	7
90.00 Outlays .....		6	7

The Clinger-Cohen Act of 1996 required the establishment of a Chief Information Officer (CIO) for major Federal agencies. To meet the intent of the law and to provide a Departmental focus for information resources management issues, Secretary's Memorandum 1030-30, dated August 8, 1996, es-

tablished the Office of the Chief Information Officer (OCIO). OCIO provides Departmentwide policy guidance, leadership, coordination and direction to the Department's information management and information technology investment activities in support of USDA program delivery. The Office provides long-range planning guidance, implements measures to ensure that technology investments are economical and effective, coordinates interagency Information Resources Management (IRM) projects, and implements standards to promote information exchange and technical interoperability.

This office also provides telecommunications and ADP services to USDA agencies throughout the National Information Technology Center with locations in Ft. Collins, Colorado, and Kansas City, Missouri. Direct ADP operational services are also provided to the Office of the Secretary, Office of the General Counsel, Office of Communications, the Office of Chief Financial Officer, and Executive Operations.

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

Identification code 12-0013-0-1-352	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....		4	4
12.1 Civilian personnel benefits .....		1	1
99.0 Subtotal, direct obligations .....		5	5
99.0 Reimbursable obligations .....		7	7
99.5 Below reporting threshold .....		2	2
99.9 Total obligations .....		14	14

**Personnel Summary**

Identification code 12-0013-0-1-352	1997 actual	1998 est.	1999 est.
<b>Direct:</b>			
1001 Total compensable workyears: Full-time equivalent employment .....		52	60
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent employment .....		11	9

**Intragovernmental funds:**

**WORKING CAPITAL FUND**

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

Identification code 12-4609-0-4-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
<b>Operating expenses:</b>			
09.01 Supply and other central services .....	22	20	20
09.02 Video and other visual information services .....	4	4	4
09.03 National Finance Center .....	138	145	149
09.04 ADP systems .....	45	51	56
09.09 Subtotal, operating expenses .....	209	220	229
<b>Purchase of equipment:</b>			
09.11 Supply and other central services .....	1	1	1
09.12 National Finance Center .....	7	11	10
09.13 ADP systems .....	7	7	9
09.19 Subtotal, purchase of equipment .....	15	19	20
10.00 Total obligations .....	224	239	249
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	12	19	19
22.00 New budget authority (gross) .....	244	239	249
22.10 Resources available from recoveries of prior year obligations .....	-13		
23.90 Total budgetary resources available for obligation .....	243	258	268
23.95 New obligations .....	-224	-239	-249
24.40 Unobligated balance available, end of year:			
Uninvested .....	19	19	19

**Intragovernmental funds—Continued**

**WORKING CAPITAL FUND—Continued**

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

Identification code 12-4609-0-4-352	1997 actual	1998 est.	1999 est.
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....	244	239	249
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	-9	15	15
73.10 New obligations .....	224	239	249
73.20 Total outlays (gross) .....	-213	-239	-249
73.45 Adjustments in unexpired accounts .....	13		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	15	15	15
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	213	239	249
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-244	-239	-249
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-31		

This fund finances by advances or reimbursements certain central services in the Department of Agriculture, including duplicating and other visual information services, art and graphics, video services, supply, centralized accounting systems, centralized automated data processing systems for payroll, personnel, and related services, voucher payments services, and ADP systems. The National Finance Center's expenses are also funded through this fund. The capital consists of \$400 thousand appropriated (7 U.S.C. 2235), and subsequent appropriations of \$31,838 thousand as of September 30, 1997. Earnings are kept at a low level through adjustments in rates charged for services to maintain as nearly as possible the nonprofit nature of the fund.

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

Identification code 12-4609-0-4-352	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	4	37	37	37
Investments in US securities:				
1106 Receivables, net .....	50	14	14	14
Other Federal assets:				
1802 Inventories and related properties .....		1	1	1
1803 Property, plant and equipment, net .....	55	44	44	44
1999 Total assets .....	109	96	96	96
<b>LIABILITIES:</b>				
2101 Federal liabilities: Accounts payable .....	3		3	3
Non-Federal liabilities:				
2201 Accounts payable .....	23	23	20	20
2207 Other .....	16	14	14	14
2999 Total liabilities .....	42	37	37	37
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....	67	59	59	59
3999 Total net position .....	67	59	59	59
4999 Total liabilities and net position .....	109	96	96	96

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

Identification code 12-4609-0-4-352	1997 actual	1998 est.	1999 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	79	84	89
11.3 Other than full-time permanent .....	2	2	2
11.5 Other personnel compensation .....	3	2	2
11.9 Total personnel compensation .....	84	88	93

12.1 Civilian personnel benefits .....	15	16	17
21.0 Travel and transportation of persons .....	2	2	2
22.0 Transportation of things .....	1	1	1
23.1 Rental payments to GSA .....	4	5	5
23.2 Rental payments to others .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	17	20	21
24.0 Printing and reproduction .....	1	1	1
25.2 Other services .....	74	77	79
26.0 Supplies and materials .....	7	6	6
31.0 Equipment .....	17	21	22
99.9 Total obligations .....	224	239	249

**Personnel Summary**

Identification code 12-4609-0-4-352	1997 actual	1998 est.	1999 est.
2001 Total compensable workyears: Full-time equivalent employment .....	2,020	2,099	1,965

**DEPARTMENTAL ADMINISTRATION**

**Federal Funds**

**General and special funds:**

DEPARTMENTAL ADMINISTRATION

(INCLUDING TRANSFERS OF FUNDS)

For Departmental Administration, [\$27,231,000] \$32,168,000, to provide for necessary expenses for management support services to offices of the Department and for general administration and disaster management of the Department, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109: *Provided*, That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551-558. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-0120-0-1-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.08 Direct program .....	30	25	32
09.01 Reimbursable program .....	15	18	16
10.00 Total obligations .....	45	43	48
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	46	43	48
22.30 Unobligated balance expiring .....	-1		
23.90 Total budgetary resources available for obligation .....	45	43	48
23.95 New obligations .....	-45	-43	-48
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	30	27	32
41.00 Transferred to other accounts .....		-3	
42.00 Transferred from other accounts .....		1	
43.00 Appropriation (total) .....	30	25	32
Permanent:			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	8	18	16
68.10 Change in orders on hand from Federal sources .....	8	-20	
68.15 Adjustment to orders on hand from Federal sources .....	-1	20	
68.90 Spending authority from offsetting collections (total) .....	15	18	16
70.00 Total new budget authority (gross) .....	45	43	48
<b>Change in unpaid obligations:</b>			
Unpaid obligations, start of year:			
72.40 Obligated balance: Uninvested .....		-9	11

72.95	Orders on hand from Federal sources .....	12	20	.....
72.99	Total unpaid obligations, start of year .....	12	11	11
73.10	New obligations .....	45	43	48
73.20	Total outlays (gross) .....	-45	-43	-48
	Unpaid obligations, end of year:			
74.40	Obligated balance: Uninvested .....	-9	11	11
74.95	Orders on hand from Federal sources .....	20	.....	.....
74.99	Total unpaid obligations, end of year .....	11	11	11
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new current authority .....	30	23	29
86.93	Outlays from current balances .....	7	.....	3
86.97	Outlays from new permanent authority .....	4	18	16
86.98	Outlays from permanent balances .....	4	.....	.....
87.00	Total outlays (gross) .....	45	43	48
<b>Offsets:</b>				
	Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources .....	-8	-18	-16
88.95	Change in orders on hand from Federal sources .....	-8	20	.....
88.96	Adjustment to orders on hand from Federal sources .....	1	-20	.....
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	30	25	32
90.00	Outlays .....	37	24	31

Departmental Administration is comprised of activities that provide staff support to top policy officials and overall direction and coordination of the Department. These activities include Department-wide programs for human resource management, management improvement, occupational safety and health management, real and personal property management, procurement, contracting, motor vehicle and aircraft management, supply management, civil rights and equal opportunity, participation of small and disadvantaged businesses, and socially disadvantaged farmers and ranchers in the Department's program activities, emergency preparedness, and the regulatory hearing and administrative proceedings conducted by the Administrative Law Judges, Judicial Officer, and Board of Contract Appeals.

Departmental Administration is also responsible for representing USDA in the development of government-wide policies and initiatives; analyzing the impact of government-wide trends and developing appropriate USDA principles, policies, and standards. In addition, Departmental Administration engages in strategic planning and evaluating programs to ensure USDA-wide compliance with applicable laws, rules, and regulations pertaining to administrative matters for the Secretary and general officers of the Department.

The budget request includes additional funding to improve the Department's civil rights activities in the areas of human resources, assistance to small and disadvantaged businesses, outreach, and conflict resolution.

**DEPARTMENTAL ADMINISTRATION WORKLOAD INDICATORS**

	1997 actual	1998 est.	1999 est.
Percent of Program Complaints Backlog Eliminated .....	11	100	100
Days Required to Investigate and Settle Civil Rights Program Complaints .....	435	521	180
Acquisitions Reviewed Not Set-aside for Small Business .....	45	50	50
Subcontracting Plans Reviewed .....	40	45	45
Small Businesses Counseled .....	6,200	6,200	6,200
Small Business Procurement Conferences Conducted or Sponsored by USDA/OSDBU .....	6	4	4
Participation of OSDBU staff in Outreach Conferences .....	15	10	15
Procurement Assistance Reviews Conducted .....	0	4	4
Develop Set-aside Policy .....	1	0	0
Training Conferences Conducted .....	4	4	4

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

	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	20	17	21
12.1 Civilian personnel benefits .....	4	3	4
21.0 Travel and transportation of persons .....	.....	1	1
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1

25.3	Purchases of goods and services from Government accounts .....	3	2	4
31.0	Equipment .....	1	.....	.....
99.0	Subtotal, direct obligations .....	29	24	31
99.0	Reimbursable obligations .....	15	18	16
99.5	Below reporting threshold .....	1	1	1
99.9	Total obligations .....	45	43	48

**Personnel Summary**

Identification code 12-0120-0-1-352	1997 actual	1998 est.	1999 est.
<b>Direct:</b>			
1001 Total compensable workyears: Full-time equivalent employment .....	344	303	349
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent employment .....	97	79	78

**HAZARDOUS WASTE MANAGEMENT  
(INCLUDING TRANSFERS OF FUNDS)**

For necessary expenses of the Department of Agriculture, to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9607(g), and section 6001 of the Resource Conservation and Recovery Act, 42 U.S.C. 6961, \$15,700,000, to remain available until expended: *Provided*, That appropriations and funds available herein to the Department for Hazardous Waste Management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands. (42 U.S.C. 6961, et seq., 42 U.S.C. 9601, et seq.; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)

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

Identification code 12-0500-0-1-304	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	14	20	16
09.00 Reimbursable program .....	1	.....	.....
10.00 Total obligations .....	15	20	16
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	2	4	.....
22.00 New budget authority (gross) .....	17	16	16
23.90 Total budgetary resources available for obligation .....	19	20	16
23.95 New obligations .....	-15	-20	-16
24.40 Unobligated balance available, end of year:			
Uninvested .....	4	.....	.....
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	16	16	16
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	15	16	20
73.10 New obligations .....	15	20	16
73.20 Total outlays (gross) .....	-14	-16	-16
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	16	20	20
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	12	11	11
86.93 Outlays from current balances .....	2	5	5
87.00 Total outlays (gross) .....	14	16	16
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	17	16	16
90.00 Outlays .....	12	16	16

Under the Comprehensive Environmental Response, Compensation, and Liability Act and the Resource Conservation

**General and special funds—Continued**

**HAZARDOUS WASTE MANAGEMENT—Continued**

(INCLUDING TRANSFERS OF FUNDS)—Continued

and Recovery Act, the Department has the responsibility to meet the same standards for storage and disposition of hazardous wastes as private businesses. Since the Department has substantial commitments under these Acts, a central fund has been established so that resources may be allocated to the Department's agencies. Allocations are made according to objective criteria.

**PERFORMANCE INDICATORS**

	1997 actual	1998 est.	1999 est.
Number of USDA properties screened to identify potential contaminated sites <sup>1,2</sup> .....	269	98	50
Number of sites assessed/characterized on need for cleanup .....	69	43	54
Number of removal and remediation plans completed <sup>2,3</sup> .....	included above	included above	13
Number of removal and remedial actions completed <sup>2,3</sup> .....	31	25	17
Number of natural resource damage assessments completed <sup>2</sup> .....	0	0	0
Number of cleanup/restoration agreements with potentially responsible parties (PRP's) <sup>3,4</sup> .....	6	8	20
Estimated value of cleanup/restoration work performed by PRP's (\$ millions) <sup>4</sup> .....	18	20	30
Number of UST cleanups completed .....	10	5	3

<sup>1</sup>The number of properties screened is declining due to the scheduled completion of Forest Service screening efforts and the EPA Lender Liability rule that changed the requirement for screening of properties that are foreclosed upon but not managed.

<sup>2</sup>Indicates the performance measure reports only funded by this account accomplishments for 1998 and 1999. Additional accomplishments are funded with Forest Service funds and are reported in the Forest Service budget.

<sup>3</sup>Prior to 1997, potentially responsible party and USDA cleanups were combined and are now shown separately.

<sup>4</sup>Indicates total accomplishments using HWMA funds and Agency funding sources for oversight.

The performance indicators in the 1999 request reflect more complex and work intensive projects.

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

Identification code 12-0500-0-1-304	1997 actual	1998 est.	1999 est.
25.2 Direct obligations: Other services .....	11	16	16
99.0 Reimbursable obligations: Subtotal, reimbursable obligations .....	1		
99.5 Below reporting threshold .....	3	4	
99.9 Total obligations .....	15	20	16

**AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS**

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92-313, including authorities pursuant to the 1984 delegation of authority from the Administrator of General Services to the Department of Agriculture under 40 U.S.C. 486, for programs and activities of the Department which are included in this Act, and for the operation, maintenance, and repair of Agriculture buildings, [\$123,385,000] \$132,184,000: Provided, That in the event an agency within the Department should require modification of space needs, the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation, but such transfers shall not exceed 5 percent of the funds made available for space rental and related costs to or from this account. In addition, for construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the programs of the Department, where not otherwise provided, [\$5,000,000] \$23,505,000, to remain available until expended; [and in addition, for necessary relocation expenses of the Department's agencies, \$2,700,000, to remain available until expended;] making a total appropriation of [\$131,085,000] \$155,689,000. (7 U.S.C. 2201, 2202, 2208; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)

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

Identification code 12-0117-0-1-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Rental payments to GSA: Non-recurring repairs .....	100	98	108
00.02 Building operations and maintenance .....	16	34	24
00.03 Beltsville renovation and repair .....	3		
00.04 Strategic space plan .....	15	24	24
00.05 Relocation expenses .....		3	
00.91 Total direct program .....	134	159	156
09.02 Reimbursable program .....	4	5	5
10.00 Total obligations .....	138	164	161
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	19	29	
22.00 New budget authority (gross) .....	148	136	161
23.90 Total budgetary resources available for obligation .....	167	164	161
23.95 New obligations .....	-138	-164	-161
24.40 Unobligated balance available, end of year:			
Uninvested .....	29		
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	144	131	156
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	4	5	5
70.00 Total new budget authority (gross) .....	148	136	161
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	47	25	34
73.10 New obligations .....	138	164	161
73.20 Total outlays (gross) .....	-161	-155	-165
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	25	34	30
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	132	103	127
86.93 Outlays from current balances .....	25	47	32
86.97 Outlays from new permanent authority .....	4	5	5
87.00 Total outlays (gross) .....	161	155	165
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-4	-5	-5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	144	131	156
90.00 Outlays .....	157	150	160

This account finances the General Services Administration's fees for rental of space and related services. The appropriation covers all fees for all regular appropriated accounts within the Department of Agriculture with the exception of the Forest Service. This account also finances the operation and maintenance of four buildings in the Headquarters area.

Beginning in 1995, the account included funds for USDA's strategic space plan. Since then, funds have been made available for the construction and occupancy of an office facility at the Beltsville Agricultural Research Center and the design and initial implementation of a long-term program to renovate and modernize the South Building. The 1999 request provides additional funding for the South Building renovation at the 1997 level (in 1998, funding was reduced to avoid the build-up of balances).

**WORKLOAD INDICATORS**

	1997 actual	1998 est.	1999 est.
Maintenance and Repairs:			
Minor Repairs (number) .....	262	300	300
Maintenance (thousands of hours) .....	18.75	19.0	19.0
Service Calls (thousands) .....	13.62	11.5	11.0



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

Identification code 12-0117-0-1-352	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	4	5	5
12.1 Civilian personnel benefits .....	1	1	1
23.1 Rental payments to GSA .....	100	99	108
23.3 Communications, utilities, and miscellaneous charges .....	3	3	3
25.2 Other services .....	22	51	39
31.0 Equipment .....	4		
99.0 Subtotal, direct obligations .....	134	159	156
99.0 Reimbursable obligations .....	4	5	5
99.9 Total obligations .....	138	164	161

**Personnel Summary**

Identification code 12-0117-0-1-352	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	78	83	86

**OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS**

For grants and contracts pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279), **[\$3,000,000]** \$10,000,000, to remain available until expended. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-0601-0-1-351	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	1	3	10
09.00 Reimbursable program .....	1		
10.00 Total obligations .....	2	3	10
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	2	3	10
23.95 New obligations .....	-2	-3	-10
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	1	3	10
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1		
70.00 Total new budget authority (gross) .....	2	3	10
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested .....	3	2	
73.10 New obligations .....	2	3	10
73.20 Total outlays (gross) .....	-3	-5	-10
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested .....	2		
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	1	3	10
86.93 Outlays from current balances .....	1	2	
86.97 Outlays from new permanent authority .....	1		
87.00 Total outlays (gross) .....	3	5	10
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1	3	10
90.00 Outlays .....	3	5	10

**Farm Outreach and Assistance Grants.**—This program is authorized under section 2501 of Title XXV of the Food, Agriculture, Conservation, and Trade Act of 1990. Section 2501

requires the Secretary of Agriculture to provide outreach and technical assistance to encourage and assist socially disadvantaged farmers and ranchers to own and operate farms and ranches and to participate in agricultural programs.

The Secretary may make grants and enter into contracts and other agreements to eligible community-based organizations, 1890/1862/1994 Land-Grant Institutions, Tuskegee University, Native American Community Colleges and Hispanic Servicing Institutions who demonstrated experience in providing education or other agriculture-related services to socially disadvantaged farmers and ranchers.

In 1999, the increased funding will support twenty-seven entities. The USDA through partnership agreements will provide outreach, training, technical assistance, and sound farm management and production to small farmers and ranchers by providing assistance in custom farm plans, production, crop diversification, marketing practices, farm accounting, and recordkeeping. The overall objective of the program is to enhance the ability of small and minority producers to operate a farming or ranching enterprise independently and produce income to service an adequate standard of living. Services are provided by non-federal employees who are employed by the entities.

**GRANT OBLIGATIONS**

	1997 actual	1998 est.	1999 est.
Number of grants .....	14	21	27
Amount of grants (in millions of dollars) .....	1	3	10

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

Identification code 12-0601-0-1-351	1997 actual	1998 est.	1999 est.
41.0 Direct obligations: Grants, subsidies, and contributions .....	1	3	10
99.0 Reimbursable obligations: Subtotal, reimbursable obligations .....	1		
99.9 Total obligations .....	2	3	10

**OFFICE OF COMMUNICATIONS**

**Federal Funds**

**General and special funds:**

OFFICE OF COMMUNICATIONS

For necessary expenses to carry on services relating to the coordination of programs involving public affairs, for the dissemination of agricultural information, and the coordination of information, work, and programs authorized by Congress in the Department, **[\$8,138,000]** \$8,319,000, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed \$2,000,000 may be used for farmers' bulletins. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-0150-0-1-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct program: Public affairs .....	8	8	8
09.01 Reimbursable program .....	1	1	1
10.00 Total obligations .....	9	9	9
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	9	9	9
23.95 New obligations .....	-9	-9	-9
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	8	8	8

**General and special funds—Continued**

**OFFICE OF COMMUNICATIONS—Continued**

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

Identification code 12-0150-0-1-352	1997 actual	1998 est.	1999 est.
<b>Permanent:</b>			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	2	1	1
70.00 Total new budget authority (gross) .....	10	9	9
<b>Change in unpaid obligations:</b>			
Unpaid obligations, start of year:			
72.40 Obligated balance: Uninvested .....	-1		
72.95 Orders on hand from Federal sources .....	3	3	3
72.99 Total unpaid obligations, start of year .....	2	3	3
73.10 New obligations .....	9	9	9
73.20 Total outlays (gross) .....	-9	-9	-9
Unpaid obligations, end of year:			
74.40 Obligated balance: Uninvested .....			1
74.95 Orders on hand from Federal sources .....	3	3	2
74.99 Total unpaid obligations, end of year .....	3	3	3
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	8	7	7
86.93 Outlays from current balances .....			1
86.97 Outlays from new permanent authority .....		1	1
86.98 Outlays from permanent balances .....	1		
87.00 Total outlays (gross) .....	9	9	9
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-2	-1	-1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	8	8	8
90.00 Outlays .....	8	8	8

**Public affairs.**—This office provides general direction, leadership, and coordination of the Department's information program. The major objective is to provide a balanced and useful information program that reports on USDA's research, administrative action, and regulatory activities using all communications media in order to enable the general public and the agricultural industry to have a better understanding of agriculture's services to farmers and to society.

**PERFORMANCE MEASURES**

	1997 actual	1998 est.	1999 est.
Surveyed farm and rural-oriented groups .....	n/a	25	50
Surveyed consumer and food/nutrition groups .....	n/a	20	40
Surveyed environmental and educational groups .....	n/a	20	40
Surveyed USDA employees .....	n/a	All	All

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

Identification code 12-0150-0-1-352	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	6	6	6
12.1 Civilian personnel benefits .....	1	1	1
25.2 Other services .....	1	1	1
99.0 Subtotal, direct obligations .....	8	8	8
99.0 Reimbursable obligations .....	1	1	1
99.5 Below reporting threshold .....	1		
99.9 Total obligations .....	9	9	9

**Personnel Summary**

Identification code 12-0150-0-1-352	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	93	93	94

**OFFICE OF THE INSPECTOR GENERAL**

**Federal Funds**

**General and special funds:**

**OFFICE OF THE INSPECTOR GENERAL**

**(INCLUDING TRANSFERS OF FUNDS)**

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and the Inspector General Act of 1978, **[\$63,128,000] \$87,689,000**, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(9) of the Inspector General Act of 1978, including a sum not to exceed \$50,000 for employment under 5 U.S.C. 3109 *not to exceed \$2,500 for official representation activities*; and including a sum not to exceed **[\$95,000] \$125,000**, for certain confidential operational expenses including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95-452 and section 1337 of Public Law 97-98: *Provided*, That funds transferred to the Office of the Inspector General through forfeiture proceedings or from the Department of Justice Assets Forfeiture Fund or the Department of the Treasury Forfeiture Fund, as a participating agency, as an equitable share from the forfeiture of property in investigations in which the Office of the Inspector General participates, or through the granting of a Petition for Remission or Mitigation, shall be deposited to the credit of this account for law enforcement activities authorized under the Inspector General Act of 1978, to remain available until expended. (7 U.S.C. 450b, 2201, 2202, 2220, 2270; Public Law 100-504; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)

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

Identification code 12-0900-0-1-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	63	63	88
01.01 Reimbursable program .....	2	2	2
10.00 Total obligations .....	65	65	90
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	65	65	90
23.95 New obligations .....	-65	-65	-90
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	63	63	88
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	2	2	2
70.00 Total new budget authority (gross) .....	65	65	90
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....			
73.10 New obligations .....	8	8	8
73.20 Total outlays (gross) .....	65	65	90
74.40 Total outlays (gross) .....	-65	-65	-88
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....			
	8	8	8
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	57	57	80
86.93 Outlays from current balances .....	6	6	6
86.97 Outlays from new permanent authority .....	2	2	2
87.00 Total outlays (gross) .....	65	65	88
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-2	-2	-2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	63	63	88
90.00 Outlays .....	62	63	86

The Office keeps the Secretary and Congress informed about fraud, other serious problems, mismanagement, and

deficiencies in Department programs and operations, recommends corrective action, and reports on the progress made in correcting the problems. It reviews existing and proposed legislation and regulations and makes recommendations to the Secretary and Congress regarding the impact these laws have on the Department's programs and the prevention and detection of fraud and mismanagement in such programs. The Office provides policy direction and conducts, supervises, and coordinates all audits and investigations. The office supervises and coordinates other activities in the Department and between the Department and other Federal, State and local government agencies whose purposes are to: (a) promote economy and efficiency; (b) prevent and detect fraud and mismanagement; and (c) identify and prosecute people involved in fraud or mismanagement. In 1999, an additional \$21.7 million is included for the Administration's Law Enforcement Initiative, which will target fraud and abuse in the Food Stamp Program, Child Nutrition Programs, Rural Rental Housing Program, and emergency programs.

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

Identification code 12-0900-0-1-352	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	37	39	55
11.5 Other personnel compensation .....	4	4	4
11.9 Total personnel compensation .....	41	43	59
12.1 Civilian personnel benefits .....	11	11	15
21.0 Travel and transportation of persons .....	6	6	8
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	3	2	5
99.0 Subtotal, direct obligations .....	62	63	88
99.0 Reimbursable obligations .....	2	2	2
99.5 Below reporting threshold .....	1		
99.9 Total obligations .....	65	65	90

**Personnel Summary**

Identification code 12-0900-0-1-352	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	742	750	925

**OFFICE OF THE GENERAL COUNSEL**

**Federal Funds**

**General and special funds:**

OFFICE OF THE GENERAL COUNSEL

For necessary expenses of the Office of the General Counsel, [\$28,524,000] \$30,446,000. (7 U.S.C. 2201; 2202, 2214a; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)

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

Identification code 12-2300-0-1-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	28	29	30
09.00 Reimbursable program .....	1	1	1
10.00 Total obligations .....	29	30	31
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	29	30	31
23.95 New obligations .....	-29	-30	-31
<b>New budget authority (gross), detail:</b>			
<b>Current:</b>			
40.00 Appropriation .....	28	29	30

<b>Permanent:</b>			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1	1	1
70.00 Total new budget authority (gross) .....	29	30	31
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested .....	1	1	2
73.10 New obligations .....	29	30	31
73.20 Total outlays (gross) .....	-29	-29	-31
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested .....	1	2	2
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	27	27	28
86.93 Outlays from current balances .....			2
86.97 Outlays from new permanent authority .....	1	1	1
87.00 Total outlays (gross) .....	29	29	31
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources .....	-1	-1	-1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	28	29	30
90.00 Outlays .....	27	28	30

The Office of the General Counsel of the Department of Agriculture provides all legal advice, counsel, and services to the Secretary and to all agencies, offices, and corporations of the Department on all aspects of their operations. It represents the Department in administrative proceedings; non-litigation debt collection proceedings; state water rights adjudications; proceedings before the Environmental Protection Agency, Interstate Commerce Commission, Federal Maritime Administration and International Trade Commission; and, in conjunction with the Department of Justice, in judicial proceedings and litigation. All attorneys and related support personnel of the Department are under the supervision of the General Counsel.

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

Identification code 12-2300-0-1-352	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	21	22	23
12.1 Civilian personnel benefits .....	4	5	5
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	1	1	1
26.0 Supplies and materials .....	1		
99.0 Subtotal, direct obligations .....	28	29	30
99.0 Reimbursable obligations .....	1	1	1
99.9 Total obligations .....	29	30	31

**Personnel Summary**

Identification code 12-2300-0-1-352	1997 actual	1998 est.	1999 est.
<b>Direct:</b>			
1001 Total compensable workyears: Full-time equivalent employment .....	338	366	370
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent employment .....	13	8	8

**ECONOMIC RESEARCH SERVICE**

**Federal Funds**

**General and special funds:**

ECONOMIC RESEARCH SERVICE

For necessary expenses of the Economic Research Service in conducting economic research and analysis, as authorized by the Agricul-

**General and special funds—Continued**

## ECONOMIC RESEARCH SERVICE—Continued

tural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, **[\$71,604,000]** \$55,839,000. *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225). (7 U.S.C. 292, 411, 427, 1441a, 1704, 1761-68, 2201, 2202, 3103, 3291, 3311, 3504; 22 U.S.C. 3101; 42 U.S.C. 1891-93; 44 U.S.C. 3501-11; 50 U.S.C. 2061 et seq., 2251 et seq.; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)

## Program and Financing (in millions of dollars)

Identification code 12-1701-0-1-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	53	72	56
09.00 Reimbursable program .....	6	6	6
10.00 Total obligations .....	59	78	62
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	59	78	62
23.95 New obligations .....	-59	-78	-62
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	53	72	56
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	6	6	6
70.00 Total new budget authority (gross) .....	59	78	62
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	9	14	14
73.10 New obligations .....	59	78	62
73.20 Total outlays (gross) .....	-54	-78	-63
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	14	14	13
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	43	62	49
86.93 Outlays from current balances .....	5	10	10
86.97 Outlays from new permanent authority .....	6	6	6
87.00 Total outlays (gross) .....	54	78	63
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-6	-6	-6
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	53	72	56
90.00 Outlays .....	48	72	57

Funding for the Economic Research Service is proposed as part of the Research Fund for America. This proposal highlights the Administration's priority to providing needed and sustained investments in important Federal research programs on a deficit neutral basis. A discussion of the Research Fund for America, and two other funds for the environment and transportation, can be found in Section II of the *Budget* volume.

The Economic Research Service provides economic and other social science research and analysis for public and private decisions on agriculture, food, natural resources, and rural America.

Miscellaneous funds received from States, local organizations, and others are available for support of economic research and analysis (7 U.S.C. 450b, 450h, 3318b).

The 1999 request includes funding for three new studies: one on the information needs of small farmers, one on electric utility deregulation, and one on estimating the benefits of increased food safety. The 1998 appropriation included funds for certain research activities of the USDA Food and Nutrition

Service, which are proposed to be funded through that account in 1999.

## Object Classification (in millions of dollars)

Identification code 12-1701-0-1-352	1997 actual	1998 est.	1999 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	31	33	34
11.3 Other than full-time permanent .....	1	1	1
11.9 Total personnel compensation .....	32	34	35
12.1 Civilian personnel benefits .....	6	6	6
21.0 Travel and transportation of persons .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	2	2	1
25.3 Purchases of goods and services from Government accounts .....	5	6	6
25.5 Research and development contracts .....	4	20	4
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1	1	1
99.0 Subtotal, direct obligations .....	53	72	56
99.0 Reimbursable obligations .....	6	6	6
99.9 Total obligations .....	59	78	62

## Personnel Summary

Identification code 12-1701-0-1-352	1997 actual	1998 est.	1999 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment .....	533	519	516
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment .....	37	35	35

**NATIONAL AGRICULTURAL STATISTICS SERVICE**

## Federal Funds

**General and special funds:**

## NATIONAL AGRICULTURAL STATISTICS SERVICE

For necessary expenses of the National Agricultural Statistics Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, marketing surveys, and the Census of Agriculture, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), the *Census of Agriculture Act of 1997 (P.L. 105-113)*, and other laws, **[\$23,741,000]** \$23,741,000 shall be available until expended for the Census of Agriculture: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$40,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That, notwithstanding any other provision of law, the Secretary of Agriculture shall conduct the 1997 Census of Agriculture, to the extent practicable, pursuant to the provisions of title 13, United States Code]. (7 U.S.C. 411, 411a, 411b, 427, 471, 475, 476, 501, 951, 953, 955-57, 2201, 2202, 2248, 3103, 3311, 3504; 18 U.S.C. 1902, 1905, 2072; 42 U.S.C. 1891-93; 44 U.S.C. 3501-11; 50 U.S.C. 2061 et seq., 2251 et seq.; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)

## Program and Financing (in millions of dollars)

Identification code 12-1801-0-1-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Agricultural estimates .....	79	78	80
00.02 Statistical research and service .....	3	3	3
00.03 Census of Agriculture .....	17	36	24
09.01 Reimbursable program .....	10	10	10
10.00 Total obligations .....	110	128	117

Budgetary resources available for obligation:				
22.00	New budget authority (gross)	110	128	117
23.95	New obligations	-110	-128	-117
<b>New budget authority (gross), detail:</b>				
Current:				
40.00	Appropriation	100	118	107
Permanent:				
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	10	10	10
70.00	Total new budget authority (gross)	110	128	117
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Uninvested	14	24	26
73.10	New obligations	110	128	117
73.20	Total outlays (gross)	-100	-125	-118
73.40	Adjustments in expired accounts	-1		
74.40	Unpaid obligations, end of year: Obligated balance:			
	Uninvested	24	26	25
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new current authority	79	104	95
86.93	Outlays from current balances	11	11	13
86.97	Outlays from new permanent authority	10	10	10
87.00	Total outlays (gross)	100	125	118
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-8	-8	-8
88.40	Non-Federal sources	-2	-2	-2
88.90	Total, offsetting collections (cash)	-10	-10	-10
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	100	118	107
90.00	Outlays	90	116	109

*Agricultural estimates.*—The Service provides the official National and State estimates of acreage, yield, and production of crops, stocks, and value of farm commodities, and numbers of inventory values of livestock items. Data on approximately 120 crops and 45 livestock products are covered in nearly 400 reports issued each year. Detailed data are also collected on agricultural chemical use, labor, and expenditures. Data collected and published on prices paid and received by farmers are basic to computation of farm program payments.

The work under this activity is conducted through 45 State offices serving the 50 States; most of these offices are operated as joint State and Federal services. Cooperative arrangements with State agencies provide additional State and county data. The 1999 program includes an increase of \$1,400,000 for the development of a pesticide use survey of the horticulture and greenhouse industry.

*Statistical research and service.*—This activity is designed to improve agricultural estimating techniques by improving sample survey designs and procedures and by testing new forecasting and estimating techniques, such as the use of satellite data.

*Census of Agriculture.*—In 1997, the Census of Agriculture, formerly funded by the Department of Commerce, was funded by the Department of Agriculture. The Census will be taken during 1998. An increase of \$600,000 is requested for two follow-on surveys—\$100,000 for the development of an Agricultural Economic Land Ownership survey, and \$500,000 to conduct a new aquaculture survey. The 1999 request reflects a decrease of \$13,328 thousand due to the cyclical nature of the program.

Miscellaneous funds received from local organizations, commodity groups, and others are available for dissemination of reports and for crop and livestock survey work under cooperative agreements (7 U.S.C. 450b, 450h, 3318b).

**PERFORMANCE MEASURES AND INDICATORS**

Performance Measures	Indicators		
	1997 actual	1998 est.	1999 est.
Percentage of agricultural cash receipts covered by NASS's current production statistics program	92.0	93.0	98.0
Percentage of reports issued that meet scheduled release date	98.0	98.0	99.0

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

Identification code 12-1801-0-1-352	1997 actual	1998 est.	1999 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	44	49	47
11.3	Other than full-time permanent	1	3	1
11.9	Total personnel compensation	45	52	48
12.1	Civilian personnel benefits	10	12	11
21.0	Travel and transportation of persons	2	1	1
23.3	Communications, utilities, and miscellaneous charges	3	6	6
24.0	Printing and reproduction		1	1
25.2	Other services	20	24	20
25.3	Purchases of goods and services from Government accounts	11	15	13
25.7	Operation and maintenance of equipment	1	1	1
26.0	Supplies and materials	1	2	2
31.0	Equipment	5	4	4
99.0	Subtotal, direct obligations	98	118	107
99.0	Reimbursable obligations	8	8	8
99.5	Below reporting threshold	4	2	2
99.9	Total obligations	110	128	117

**Personnel Summary**

Identification code 12-1801-0-1-352	1997 actual	1998 est.	1999 est.	
Direct:				
1001	Total compensable workyears: Full-time equivalent employment	997	1,190	1,007
Reimbursable:				
2001	Total compensable workyears: Full-time equivalent employment	100	100	100

**AGRICULTURAL RESEARCH SERVICE**

*Federal Funds*

**General and special funds:**

AGRICULTURAL RESEARCH SERVICE  
(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for); home economics or nutrition and consumer use including the acquisition, preservation, and dissemination of agricultural information; and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed \$100, [\$744,605,000] and for land exchanges where the lands exchanged shall be of equal value or shall be equalized by a payment of money to the grantor which shall not exceed 25% of the total value of the land or interests transferred out of Federal ownership, \$776,828,000: *Provided*, That appropriations hereunder shall be available for temporary employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$115,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building shall not exceed \$250,000, except for headhouses or greenhouses which shall each be limited to \$1,000,000, and except for ten buildings to be constructed or improved at a cost not to exceed \$500,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building or \$250,000, whichever is greater: *Provided further*, That the limita-

**General and special funds—Continued**

**AGRICULTURAL RESEARCH SERVICE—Continued  
(INCLUDING TRANSFERS OF FUNDS)—Continued**

tions on alterations contained in this Act shall not apply to modernization or replacement of existing facilities at Beltsville, Maryland: *Provided further, That appropriations hereunder shall be available for granting easements at the Beltsville Agricultural Research Center, including an easement to the University of Maryland to construct the Transgenic Animal Facility which upon completion shall be accepted by the Secretary as a gift: Provided further, That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a); Provided further, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing or operating any research facility or research project of the Agricultural Research Service, as authorized by law: Provided further, That the item under the heading "Agricultural Research Service" in title I of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1996 (Public Law 104-37; 109 Stat. 304), is amended by striking the penultimate proviso, relating to conveyance of the Pecan Genetics and Improvement Research Laboratory]. None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products.*

*In the fiscal year 1999 the agency is authorized to charge fees, commensurate with the fair market value, for any permit, easement, lease, or other special use authorization for the occupancy or use of land and facilities (including land and facilities at the Beltsville Agricultural Research Center) issued by the agency as authorized by law, and such fees shall be credited to this account, and shall remain available until expended, for authorized purposes. (7 U.S.C. 328, 427, 427i, 1281 note, 1621, 2201, 2204, 2225, 2250, 3101 note; 10 U.S.C. 2306; 16 U.S.C. 590(a)-590(b), 590(k); 18 U.S.C. 1114; 19 U.S.C. 1306(a), 1306(c); 20 U.S.C. 191-194; 21 U.S.C. 113a, 114c, 114e-131; 42 U.S.C. 1476(e), 1483; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)*

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

Identification code 12-1400-0-1-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01	88	86	86
00.02	243	256	265
00.03	115	119	127
00.04	141	147	151
00.05	61	71	82
00.06	27	28	27
00.07	18	18	18
00.08	1	1	1
00.11	20	18	20
00.91	714	745	777
09.00	36	42	42
10.00	750	787	819
<b>Budgetary resources available for obligation:</b>			
22.00	753	787	819
22.30	-3		
23.90	750	787	819
23.95	-750	-787	-819
<b>New budget authority (gross), detail:</b>			
Current:			
40.00	717	745	777
Permanent:			
68.00	36	42	42
70.00	753	787	819
<b>Change in unpaid obligations:</b>			
74.40	192	179	181
73.10	750	787	819
73.20	-762	-785	-814
73.40	-1		

74.40	Unpaid obligations, end of year: Obligated balance:			
	Uninvested .....	179	181	186
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new current authority .....	574	596	622
86.93	Outlays from current balances .....	152	147	149
86.97	Outlays from new permanent authority .....	36	42	42
87.00	Total outlays (gross) .....	762	785	814
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-31	-36	-36
88.40	Non-Federal sources .....	-5	-6	-6
88.90	Total, offsetting collections (cash) .....	-36	-42	-42
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	717	745	777
90.00	Outlays .....	726	743	772

Funding for the Agricultural Research Service is proposed as part of the Research Fund for America. This proposal highlights the Administration's priority to providing needed and sustained investments in important Federal research programs on a deficit neutral basis. A discussion of the Research Fund for America, and two other funds for the environment and transportation, can be found in Section II of the *Budget* volume.

The Agricultural Research Service conducts research to provide the means for a safer, more economical supply of agricultural products for the Nation and to provide producers with technologies to competitively supply these products. Technology needs of regulatory, technical assistance and education agencies of USDA and other Federal agencies are supported through ARS research. The Service uses coordinated, interdisciplinary approaches to perform basic and applied research on soil and water conservation, plant and animal sciences, commodity conversion and delivery, human nutrition, and integrated agricultural systems. In 1999, the Service proposes increased emphases for critical research needs in agriculture, such as: the President's 1999 Food Safety Initiative, the Climate Change Technology Initiative, Pfiesteria research in support of the Clean Water and Watershed Restoration Initiative, and other environmental quality/natural resources including livestock management, methyl bromide, and pest management, human nutrition, genetic resources, emerging diseases and exotic pests, and restoration of the South Florida Everglades ecosystem. The Service expects to submit 60 new patent applications, participate in 85 new Cooperative Research and Development Agreements (CRADAs), license 25 new products, and develop 70 new plant varieties to release to industry for further development and marketing in 1999.

**Research on soil and water conservation.**—Research is conducted to improve soil and water management, irrigation, and conservation practices; to protect natural resources from harmful effects of soil, air, and water pollutants and to minimize certain agricultural pollution problems; and to determine the relation of soil types and water to plant, animal, and human nutrition.

**Research on plant science.**—Research is conducted to increase plant productivity by improving plant varieties, developing new crop resources, and improving crop production practices, including methods to control plant diseases, nematodes, insects, and weeds.

**Research on animal science.**—Research is conducted to increase livestock productivity (including poultry) through improved breeding, feeding, and management practices, and to develop methods for controlling diseases, parasites, and insect pests affecting these animals.

**Research on commodity conversion and delivery.**—Research is conducted to develop new and improved foods, feeds, products, and processes for agricultural commodities and to im-

prove the processing, transportation, storage, wholesaling, and retailing of products. Research is also conducted on means to ensure the safety of food and feed supplies, control insect pests of man and his belongings, and reduce the hazards to human life resulting from pesticide residues and other causes.

**Human nutrition research.**—Research is conducted on subjects such as human nutritional requirements and the composition and nutritive value of foods, to promote optimum human health through improved nutrition.

**Integration of agricultural systems.**—Research is conducted to develop integrated systems for efficiently producing, processing, and marketing agricultural products, and to develop alternative agricultural systems that are less dependent upon nonrenewable resources and that are productive, efficient, and sustainable in the long term.

**Agricultural information and library services.**—The National Agricultural Library provides a variety of information products and services through: (1) the administration of a unique collection of books, journals, and other information materials about food and agriculture to ensure accessibility to their contents; (2) the development and maintenance of cooperative efforts in the library and related information areas, with other Federal agencies and with educational institutions in each State; and (3) an active program of information dissemination.

**Repair and maintenance of facilities.**—Funds are used to restore, upgrade, and maintain Federal facilities to meet OSHA and EPA requirements, provide suitable workspace for in-house research programs, and to retrofit existing structures for better energy utilization.

**Contingencies.**—Funds available to meet urgent needs that develop unexpectedly during the year when such needs cannot be met by redirection of resources from other projects.

**Reimbursements.**—Agricultural Research Service performs program research activities and services for other USDA, Federal, and non-Federal agencies. These activities and services are paid for on a reimbursable basis.

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

Identification code 12-1400-0-1-352	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	298	311	321
11.3 Other than full-time permanent .....	21	22	23
11.5 Other personnel compensation .....	11	11	11
11.9 Total personnel compensation .....	330	344	355
12.1 Civilian personnel benefits .....	72	78	83
21.0 Travel and transportation of persons .....	12	13	13
22.0 Transportation of things .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	32	33	35
24.0 Printing and reproduction .....	1	1	1
25.1 Advisory and assistance services .....	1		1
25.2 Other services .....	4	7	6
25.3 Purchases of goods and services from Government accounts .....	4	4	4
25.4 Operation and maintenance of facilities .....	23	23	24
25.5 Research and development contracts .....	108	112	118
25.7 Operation and maintenance of equipment .....	8	8	9
25.8 Subsistence and support of persons .....	1	1	1
26.0 Supplies and materials .....	58	59	62
31.0 Equipment .....	40	41	43
32.0 Land and structures .....	4	4	4
41.0 Grants, subsidies, and contributions .....	14	15	16
99.0 Subtotal, direct obligations .....	714	745	777
99.0 Reimbursable obligations .....	36	42	42
99.9 Total obligations .....	750	787	819

**Personnel Summary**

Identification code 12-1400-0-1-352	1997 actual	1998 est.	1999 est.
<b>Direct:</b>			
1001 Total compensable workyears: Full-time equivalent employment .....	7,318	7,356	7,362
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent employment .....	118	118	118

**BUILDINGS AND FACILITIES**

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the agricultural research programs of the Department of Agriculture, where not otherwise provided, **[\$80,630,000]** \$35,900,000, to remain available until expended (7 U.S.C. 2209b): *Provided*, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing any research facility of the Agricultural Research Service, as authorized by law. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-1401-0-1-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations .....	79	63	60
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	79	69	85
22.00 New budget authority (gross) .....	69	79	36
23.90 Total budgetary resources available for obligation .....	148	148	121
23.95 New obligations .....	-79	-63	-60
24.40 Unobligated balance available, end of year:			
Uninvested .....	69	85	61
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	69	81	36
40.79 Line item veto cancellation .....		-2	
43.00 Appropriation (total) .....	69	79	36
70.00 Total new budget authority (gross) .....	69	79	36
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	28	76	74
73.10 New obligations .....	79	63	60
73.20 Total outlays (gross) .....	-31	-65	-70
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	76	74	64
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	1	9	4
86.93 Outlays from current balances .....	30	56	66
87.00 Total outlays (gross) .....	31	65	70
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	69	79	36
90.00 Outlays .....	31	65	70

This account provides funds for acquisition of land, construction, repair, improvement, extension, alterations, and purchases of fixed equipment or facilities of or used by the Agricultural Research Service. The 1999 request provides for the modernization and renovation of the Beltsville Agricultural Research Center, Beltsville, MD; Regional Utilization Centers at Peoria, IL; Philadelphia, PA; New Orleans, LA; major research centers at Plum Island Animal Disease Center, Greenport, NY; the National Animal Disease Center at Ames, IA; and U.S. Grain Marketing Laboratory at Manhattan, KS; and the National Agricultural Library. The request also provides for construction of a new facility in Ft. Lauderdale.

**General and special funds—Continued**

**BUILDINGS AND FACILITIES—Continued**

dale, FL, as part of the Administration's Everglades initiatives.

Funding for the Ft. Lauderdale facility is proposed as part of the Environmental Resources Fund for America. This proposal highlights the Administration's priority to provide deficit neutral funding for investments in many of our Nation's key environmental programs. A discussion of the Environmental Resources Fund for America, and two other funds for research and transportation, can be found in Section II of the *Budget* volume.

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

Identification code 12-1401-0-1-352	1997 actual	1998 est.	1999 est.
25.2 Other services .....	56	38	40
32.0 Land and structures .....	18	18	20
41.0 Grants, subsidies, and contributions .....	5	7	
99.9 Total obligations .....	79	63	60

**Trust Funds**

**MISCELLANEOUS CONTRIBUTED FUNDS**

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

Identification code 12-8214-0-7-352	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year .....			
Receipts:			
02.01 Science and Education Administration contributed funds .....	14	15	15
Appropriation:			
05.01 Miscellaneous contributed funds .....	-14	-15	-15
07.99 Total balance, end of year .....			

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

Identification code 12-8214-0-7-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations .....	13	15	15
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	8	9	8
22.00 New budget authority (gross) .....	14	15	15
23.90 Total budgetary resources available for obligation .....	22	24	23
23.95 New obligations .....	-13	-15	-15
24.40 Unobligated balance available, end of year:			
Uninvested .....	9	8	8
<b>New budget authority (gross), detail:</b>			
60.27 Appropriation (trust fund, indefinite) .....	14	15	15
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	3	3	6
73.10 New obligations .....	13	15	15
73.20 Total outlays (gross) .....	-13	-14	-14
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	3	6	6
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	10	10	10
86.98 Outlays from permanent balances .....	3	4	4
87.00 Total outlays (gross) .....	13	14	14
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	14	15	15
90.00 Outlays .....	13	14	14

Miscellaneous contributed funds received from States, local organizations, individuals, and others are available for work under cooperative agreements on research activities.

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

Identification code 12-8214-0-7-352	1997 actual	1998 est.	1999 est.
11.1 Personnel compensation: Full-time permanent .....	3	3	3
12.1 Civilian personnel benefits .....	1	1	1
25.2 Other services .....	6	8	8
26.0 Supplies and materials .....	2	2	2
31.0 Equipment .....	1	1	1
99.9 Total obligations .....	13	15	15

**Personnel Summary**

Identification code 12-8214-0-7-352	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	82	82	82

**COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE**

**Federal Funds**

**General and special funds:**

*INTEGRATED RESEARCH, EXTENSION, AND EDUCATION COMPETITIVE GRANTS PROGRAM*

(Legislative proposal, not subject to PAYGO)

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

Identification code 12-1502-2-1-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.23 Small Farms Initiative .....			4
10.00 Total obligations (object class 41.0) .....			4
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			4
23.95 New obligations .....			-4
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....			4
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....			4
73.20 Total outlays (gross) .....			-2
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....			4
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....			2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			4
90.00 Outlays .....			2

A new authority for an Integrated Research, Extension, and Education Competitive Grants Program is proposed to be included in the reauthorization of the research title of the 1996 Farm Bill. Multi-functional research, extension and education programs would address national and regional issues. A 100 percent non-Federal match would be required for commodity- or location-specific activities. In 1999, a Small Farms Initiative, to be implemented through the Department's Land-Grant partners, is proposed in support of the Secretary's Civil Rights initiative to strengthen USDA's research and educational assistance to the socially disadvantaged.



**Personnel Summary**

Identification code 12-1502-2-1-352	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment			1

**RESEARCH AND EDUCATION ACTIVITIES**

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, including **[\$168,734,000] \$153,672,000** to carry into effect the provisions of the Hatch Act (7 U.S.C. 361a-i); **[\$20,497,000] \$19,882,000** for grants for cooperative forestry research (16 U.S.C. 582a-a7); **\$27,735,000** for payments to the 1890 land-grant colleges, including Tuskegee University (7 U.S.C. 3222); **[\$51,495,000] \$12,551,000** for special grants for agricultural research (7 U.S.C. 450i(c)); **[\$15,048,000] \$24,698,000** for special grants for agricultural research on improved pest control (7 U.S.C. 450i(c)); **[\$97,200,000] \$130,000,000** for competitive research grants (7 U.S.C. 450i(b)); **\$4,775,000** for the support of animal health and disease programs (7 U.S.C. 3195); **[\$650,000** for supplemental and alternative crops and products (7 U.S.C. 3319d); **\$550,000** for grants for research pursuant to the Critical Agricultural Materials Act of 1984 (7 U.S.C. 178) and section 1472 of the Food and Agriculture Act of 1977 (7 U.S.C. 3318), to remain available until expended;] **\$3,000,000** for higher education graduate fellowships grants (7 U.S.C. 3152(b)(6)), to remain available until expended (7 U.S.C. 2209b); **\$4,350,000** for higher education challenge grants (7 U.S.C. 3152(b)(1)); **\$1,000,000** for a higher education minority scholars program (7 U.S.C. 3152(b)(5)), to remain available until expended (7 U.S.C. 2209b); **\$2,500,000** for an education grants program for Hispanic-serving Institutions (7 U.S.C. 3241); **[\$4,000,000] \$3,880,000** for aquaculture grants (7 U.S.C. 3322); **[\$8,000,000] \$10,000,000** for sustainable agriculture research and education (7 U.S.C. 5811); **\$9,200,000** for a program of capacity building grants (7 U.S.C. 3152(b)(4)) to colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321-326 and 328), including Tuskegee University, to remain available until expended (7 U.S.C. 2209b); **\$1,450,000** for payments to the 1994 Institutions pursuant to section 534(a)(1) of Public Law 103-382; and **[\$11,226,000] \$3,896,000** for necessary expenses of Research and Education Activities, of which not to exceed \$100,000 shall be for employment under 5 U.S.C. 3109; in all, **[\$431,410,000] \$412,589,000**.

None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products.

**NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND**

For establishment of a Native American institutions endowment fund, as authorized by Public Law 103-382 (7 U.S.C. 301 note), **\$4,600,000**. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-1500-0-1-352	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year			1
Receipts:			
02.01 Federal payment, Native American Institutions Endowment Fund	5	5	5
02.02 Earnings on investments		1	1
02.99 Total receipts	5	6	6
04.00 Total: Balances and collections	5	6	7
Appropriation:			
05.01 Cooperative state research activities	-5	-5	-5
07.99 Total balance, end of year		1	2

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

Identification code 12-1500-0-1-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Payments under the Hatch Act	169	169	153
00.02 Cooperative forestry research	20	20	20

00.03 Payments to 1890 colleges and Tuskegee University	28	28	28
00.04 Special research grants	75	79	51
00.05 National research initiative competitive grants	125	111	130
00.06 Animal health and disease research	5	5	5
00.07 Federal administration	10	11	4
00.08 Higher education	18	25	21
00.09 Native American Institutions Endowment Fund	5	5	5
00.91 Total direct program	453	453	417
09.00 Reimbursable program	13	16	16
10.00 Total obligations	468	469	433

**Budgetary resources available for obligation:**

21.40 Unobligated balance available, start of year:			
Uninvested	46	17	
22.00 New budget authority (gross)	439	452	433
23.90 Total budgetary resources available for obligation	485	469	433
23.95 New obligations	-468	-469	-433
24.40 Unobligated balance available, end of year:			
Uninvested	17		

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

Current:			
40.00 Appropriation	421	431	412
40.25 Appropriation (special fund, indefinite)	5	5	5
43.00 Appropriation (total)	426	436	417
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	13	16	16
70.00 Total new budget authority (gross)	439	452	433

**Change in unpaid obligations:**

72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	322	375	413
73.10 New obligations	468	469	433
73.20 Total outlays (gross)	-415	-431	-437
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	375	413	409

**Outlays (gross), detail:**

86.90 Outlays from new current authority	198	227	217
86.93 Outlays from current balances	204	188	204
86.97 Outlays from new permanent authority	13	16	16
87.00 Total outlays (gross)	415	431	437

**Offsets:**

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-13	-16	-16

**Net budget authority and outlays:**

89.00 Budget authority	426	436	417
90.00 Outlays	402	415	421

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	1997 actual	1998 est.	1999 est.
Enacted/requested:			
Budget Authority	426	436	417
Outlays	402	415	421
Legislative proposal, not subject to PAYGO:			
Budget Authority			10
Outlays			1
Total:			
Budget Authority	426	436	427
Outlays	402	415	422

Funding for the Research and Education Activities of the Cooperative State Research, Education, and Extension Service is proposed as part of the Research Fund for America. This proposal highlights the Administration's priority to providing needed and sustained investments in important Federal research programs on a deficit neutral basis. A discussion of the Research Fund for America, and two other funds for the environment and transportation, can be found in Section II of the *Budget* volume.

Cooperative State Research, Education, and Extension Service participates in a nationwide system of agricultural re-

**General and special funds—Continued**

## NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND—Continued

search and education program planning and coordination between State institutions and the U.S. Department of Agriculture. It assists in maintaining cooperation among the State institutions, and between the State institutions and their Federal research partners. The Agency administers grants and payments to State institutions to supplement State and local funding for agricultural research and higher education.

*Payments under the Hatch Act.*—Funds under the Hatch Act are allocated on a formula basis to agricultural experiment stations of the land-grant colleges in the 50 States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, Micronesia, and Northern Mariana Islands.

*Cooperative forestry research.*—These funds are allocated by formula to land-grant colleges or agricultural experiment stations in the 50 States, Puerto Rico, Guam, the Virgin Islands, and other State-supported colleges and universities having a forestry school and offering graduate training in forestry sciences.

*Payments to 1890 colleges and Tuskegee University.*—Funds allocated on a formula basis support agricultural research and broaden the curricula at the seventeen 1890 land-grant colleges, including Tuskegee University.

*Special research grants.*—This program addresses research areas of national interest. Increased funding is proposed for grant programs in integrated pest management, IR-4 minor crop pest management and pest management alternatives. Funding is also proposed for pesticide impact assessment and sustainable agriculture. Advances in these areas will provide producers with safe, alternative pest control methods resulting in more farmers increasing the number of acres on which Integrated Pest Management (IPM) methods are used. The program goal is the implementation of IPM methods on 75 percent of crop acreage by the year 2000, with an outcome of creating an agricultural system that is highly competitive in the global economy. Funding proposed for IR-4 minor crop pest management and minor use animal drugs will address the growing need for registration of safe pesticides and drugs for minor crops and animals and lead to reduced levels of chemical and drug residues in food products by half. In 1999 IR-4 will complete 525 pesticide clearances. These will include 240 clearances for "safer" and reduced risk alternatives on food crops together with biologically-based and IPM-compatible pest control products; 285 new registrations on horticultural crops, such as nursery and floral crops. In addition, resources for these pest management programs will be coordinated to address Food Quality and Protection Act issues. A \$3 million grant program for global change is proposed for research at universities as part of a coordinated Federal initiative. Funding is also proposed for water quality, the National Biological Impact Assessment Program, sustainable agriculture, rural development centers, and aquaculture centers. A grant program for food safety is also proposed for research to underpin food safety education, as part of the President's 1999 Food Safety Initiative.

*National research initiative competitive grants.*—Funding is being proposed for the National Initiative for Research on Agriculture, Food, and the Environment (NRI). Research scientists throughout the U.S. scientific community compete for funding under this program. The performance goal has been to attract the widest possible involvement of U.S. scientists in agricultural research to increase the knowledge base related to U.S. agriculture, food, and the environment and maintain world leadership in agricultural science and engineering. NRI funding has resulted in increased participation by universities which are not traditionally considered agricultural schools and of highly skilled researchers in projects address-

ing agricultural issues. The outcomes include the efficient communication of research results to scientific, engineering, and community user groups. These grants support research in plants and animals; natural resources and the environment; nutrition, food safety, and health; markets, trade, and rural development; and processing for adding value or developing new products. This initiative includes funding for a plant genome mapping program for which the Agricultural Research Service serves as the lead agency. Global change research being carried out through the NRI is part of a government-wide program. In 1999, the requested increase will be targeted to expand research to help reduce the incidence of food borne illness caused by microbiological pathogens and support the food genome strategy.

*Animal health and disease research.*—Funds, distributed by formula, support livestock and poultry disease research in sixty-seven colleges of veterinary medicine and in eligible agricultural experiment stations.

*Federal administration.*—A coordinating and review staff assists in maintaining cooperation within and among the States, and between the States and their Federal research partners. This staff also administers research and education grants and payments to States. Federal administration is funded from a combination of program set-asides from formula and grant programs and from direct appropriation for administration.

*Higher education.*—Funding is proposed for graduate fellowships grants, competitive challenge grants, Hispanic serving institutions education grants program, a multicultural scholars program and a Native American institutions program. Proposed funding for these higher education programs would support approximately 94 grants. These programs will enable universities to broaden their curricula; increase faculty development; student research projects; and the number of new scholars recruited in the food and agricultural sciences. In addition, an increased number of graduate students, including minority graduate students, will be enrolled in the agricultural sciences. Funding is also proposed for a capacity building program at the 1890 institutions as part of the USDA initiative to strengthen these institutions through a broadening of curricula, increased faculty development and student research projects. Proposed funding would support approximately 49 teaching and research grants.

*Reimbursable program.*—Funds support basic and applied agriculture research and activities performed for other USDA, Federal, and non-Federal agencies.

*Native American Institutions Endowment Fund.*—This program provides for an endowment for the 1994 land-grant institutions (29 Tribally controlled colleges) to strengthen the infrastructure of these institutions and develop Indian expertise for the food and agricultural sciences and businesses and their own communities. At the termination of each fiscal year, the Secretary shall withdraw the income from the endowment fund for the fiscal year, and after making adjustments for the cost of administering the fund, distribute the adjusted income on a formula basis to the 1994 land-grant institutions.

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

Identification code 12-1500-0-1-352	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	10	10	11
12.1 Civilian personnel benefits .....	2	3	3
21.0 Travel and transportation of persons .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	1		
25.3 Purchases of goods and services from Government accounts .....	2	3	3
26.0 Supplies and materials .....		1	1
41.0 Grants, subsidies, and contributions .....	439	435	398
99.0 Subtotal, direct obligations .....	455	453	417
99.0 Reimbursable obligations .....	13	16	16

99.9	Total obligations .....	468	469	433
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**Personnel Summary**

Identification code 12-1500-0-1-352	1997 actual	1998 est.	1999 est.	
<b>Direct:</b>				
1001	Total compensable workyears: Full-time equivalent employment .....	179	195	197
<b>Reimbursable:</b>				
2001	Total compensable workyears: Full-time equivalent employment .....	9	9	9

**RESEARCH AND EDUCATION ACTIVITIES**  
(Legislative proposal, not subject to PAYGO)

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

Identification code 12-1500-2-1-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.10	Food Genome Initiative .....		10
10.00	Total obligations (object class 41.0) .....		10
<b>Budgetary resources available for obligation:</b>			
22.00	New budget authority (gross) .....		10
23.95	New obligations .....		-10
<b>New budget authority (gross), detail:</b>			
40.00	Appropriation .....		10
<b>Change in unpaid obligations:</b>			
73.10	New obligations .....		10
73.20	Total outlays (gross) .....		-1
74.40	Unpaid obligations, end of year: Obligated balance: Uninvested .....		10
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new current authority .....		1
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....		10
90.00	Outlays .....		1

A new authority for a competitive grants program to support the Food Genome Initiative is proposed to improve understanding of plant and animal and associated microbial genes. Accelerated research projects will help aid the identification, mapping, and understanding of the function and control of genes responsible for economically important traits in the major agriculturally important species of plants, animals, and microbes. Through this research investment, new genetic technologies will be developed to improve yield, composition, and quality of agricultural output.

**Personnel Summary**

Identification code 12-1500-2-1-352	1997 actual	1998 est.	1999 est.
1001	Total compensable workyears: Full-time equivalent employment .....		1

**BUILDINGS AND FACILITIES**

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

Identification code 12-1501-0-1-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00	Total obligations .....	63	5
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance available, start of year: Uninvested .....	7	5
22.00	New budget authority (gross) .....	62	

23.90	Total budgetary resources available for obligation	69	5
23.95	New obligations .....	-63	-5
24.40	Unobligated balance available, end of year: Uninvested .....	5	

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

40.00	Appropriation .....	62	
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**Change in unpaid obligations:**

72.40	Unpaid obligations, start of year: Obligated balance: Uninvested .....	185	199	149
73.10	New obligations .....	63	5	
73.20	Total outlays (gross) .....	-49	-55	-40
74.40	Unpaid obligations, end of year: Obligated balance: Uninvested .....	199	149	109

**Outlays (gross), detail:**

86.93	Outlays from current balances .....	49	55	40
87.00	Total outlays (gross) .....	49	55	40

**Net budget authority and outlays:**

89.00	Budget authority .....	62		
90.00	Outlays .....	49	55	40

Funds provide grants to States and other eligible recipients for the acquisition of land, construction, repair, improvement, extension, alteration and purchase of fixed equipment or facilities to carry out agricultural research, extension, and teaching programs. No funding is proposed in 1999.

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

Identification code 12-1501-0-1-352	1997 actual	1998 est.	1999 est.
11.1	Personnel compensation: Full-time permanent .....	1	
25.2	Other services .....	1	1
41.0	Grants, subsidies, and contributions .....	61	4
99.9	Total obligations .....	63	5

**Personnel Summary**

Identification code 12-1501-0-1-352	1997 actual	1998 est.	1999 est.
1001	Total compensable workyears: Full-time equivalent employment .....	10	3

**EXTENSION ACTIVITIES**

Payments to States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, Micronesia, Northern Marianas, and American Samoa: For payments for cooperative extension work under the Smith-Lever Act, to be distributed under sections 3(b) and 3(c) of said Act, and under section 208(c) of Public Law 93-471, for retirement and employees' compensation costs for extension agents and for costs of penalty mail for cooperative extension agents and State extension directors, **[\$268,493,000] \$257,753,000**; payments for extension work at the 1994 Institutions under the Smith-Lever Act (7 U.S.C. 343(b)(3)), **[\$2,000,000] \$3,500,000**; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, **[\$58,695,000] \$56,347,000**; payments for a pesticides applicator training program under section 3(d) of the Act, **\$1,500,000**; payments for the pest management program under section 3(d) of the Act, **[\$10,783,000] \$15,000,000**; payments for the farm safety program under section 3(d) of the Act, **\$2,855,000] \$15,000,000**; payments for the pesticide impact assessment program under section 3(d) of the Act, **[\$3,214,000] \$3,313,000**; payments to upgrade 1890 land-grant college research, extension, and teaching facilities as authorized by section 1447 of Public Law 95-113 (7 U.S.C. 3222b), **[\$7,549,000] \$12,000,000**, to remain available until expended; payments for the rural development centers under section 3(d) of the Act, **\$908,000**; payments for a groundwater quality program under section 3(d) of the Act, **\$9,061,000**; [payments for the agricultural telecommunications program, as authorized by Public Law 101-624 (7 U.S.C. 5926), **\$900,000**]; payments for youth-at-risk programs under section 3(d) of the Act, **[\$9,554,000] \$10,000,000**; payments for a food safety program under section 3(d) of the Act, **[\$2,365,000] \$7,365,000**; payments for carrying out the provisions of the Renewable Resources

**General and special funds—Continued**

**EXTENSION ACTIVITIES—Continued**

Extension Act of 1978, \$3,192,000; payments for Indian reservation agents under section 3(d) of the Act, [\$1,672,000] \$5,000,000; payments for sustainable agriculture programs under section 3(d) of the Act, \$3,309,000; [payments for rural health and safety education as authorized by section 2390 of Public Law 101-624 (7 U.S.C. 2661 note, 2662), \$2,628,000;] payments for cooperative extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321-326 and 328) and Tuskegee University, \$25,090,000; and for Federal administration and coordination including administration of the Smith-Lever Act, and the Act of September 29, 1977 (7 U.S.C. 341-349), and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301 note), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, [\$11,108,000] \$5,313,000; in all, [\$423,376,000] \$418,651,000. *Provided*, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, and section 506 of the Act of June 23, 1972, shall not be paid to any State, the District of Columbia, Puerto Rico, Guam, or the Virgin Islands, Micronesia, Northern Marianas, and American Samoa prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-0502-0-1-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Smith-Lever Act, 3(b) and 3(c)	268	268	258
00.02 Youth at Risk	10	10	10
00.03 Water quality	11	9	9
00.04 Expanded food and nutrition education program (EFNEP)	59	59	57
00.05 Pest management	11	11	15
00.06 Farm safety	3	3	
00.07 Pesticide impact assessment	3	3	3
00.08 Pesticide applicator training			2
00.09 Indian reservation extension agents	2	2	5
00.10 Agricultural telecommunications	1	1	
00.11 Food safety	2	2	7
00.12 Rural development	1	1	1
00.13 Payments to 1890 colleges and Tuskegee University	25	25	25
00.15 Renewable resources extension act	3	3	3
00.16 Federal administration	12	11	5
00.18 Rural health and safety education	3	3	
00.19 1890 facilities (section 1447)	7	13	12
00.21 Sustainable agriculture	3	3	3
00.22 1994 Institutions activities	2	2	4
00.91 Total direct program	426	429	419
09.00 Reimbursable program	14	25	25
10.00 Total obligations	440	454	444
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested	4	6	
22.00 New budget authority (gross)	440	448	444
23.90 Total budgetary resources available for obligation	444	454	444
23.95 New obligations	-440	-454	-444
24.40 Unobligated balance available, end of year:			
Uninvested	6		
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation	426	423	419
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	14	25	25
70.00 Total new budget authority (gross)	440	448	444
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	201	207	216
73.10 New obligations	440	454	444
73.20 Total outlays (gross)	-434	-447	-444
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	207	216	216

<b>Outlays (gross), detail:</b>				
86.90	Outlays from new current authority	271	291	288
86.93	Outlays from current balances	149	131	132
86.97	Outlays from new permanent authority		25	25
86.98	Outlays from permanent balances	14		
87.00	Total outlays (gross)	434	447	444
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-14	-25	-25
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	426	423	419
90.00	Outlays	420	422	419

The Cooperative Extension System, a national educational network, is a dynamic organization pledged to meeting the country's needs for research-based educational programs that will enable people to make practical decisions to improve their lives. To accomplish its mission, the Cooperative Extension System adjusts programs to meet the shifting needs and priorities of the people it serves.

The nonformal educational network combines the expertise and resources of federal, state, and local partners. The partners in this unique System are: (a) The Cooperative State Research, Education, and Extension Service at the U.S. Department of Agriculture; (b) Extension professionals at land-grant universities throughout the United States and its territories; and (c) Extension professionals in nearly all of the Nation's 3,150 counties. Thousands of paraprofessionals and nearly 3 million volunteers support this partnership and magnify its impact. Strong linkages with both public and private external groups are also crucial to the Cooperative Extension System's strength and vitality.

Base programs, funded by the Smith-Lever 3(b) and (c) legislated formula funds, are the major educational efforts central to the mission of the System and common to most Extension units. They are the ongoing priority efforts of the System, involving many discipline-based and multi-disciplinary programs. The System's base programs are the foundation of the Extension organization and partnership that are intended to increase the number of community-based projects, families, and individuals reached to disseminate research findings as widely and quickly as possible. The use of electronic mail, satellite transmission of courses, and computer-assisted instruction are encouraged to communicate ideas.

Extension resources are provided to the States by these formula funds and competitively-awarded programs such as sustainable agriculture. Smith-Lever 3(b) and (c) funds and payments to the 1890 colleges and Tuskegee University provide funds to support the Extension infrastructure.

Funds for designated programs, funded by Smith-Lever 3(d) such as youth at risk, expanded food and nutrition education program (EFNEP), and food safety, provide support for the Cooperative Extension System to address identified priority issues. As part of the 1999 Food Safety Initiative, a \$5 million increase is requested for the development of materials targeted to older Americans (a high risk group) and those with limited resources to provide them with information on proper food handling.

National initiatives funded by legislative formulas, administratively determined distribution, Congressional and Executive intent, and competitively-awarded projects, are the System's commitment to respond to important problems of broad national concern with additional resources and significantly increased effort to achieve a major impact on national priorities. They are the most current significant and complex issues on which the Extension System has the potential to make a difference—usually in cooperation with other agencies, groups, and units of government. The goal is to inform and educate these extension agriculture professionals and vol-

unteers who, in turn, educate the professional farmers and end-users regarding these critical initiatives and concerns.

Initiatives proposed in 1999 include funding for: sustainable agriculture education programs; increased efforts on pest management; pesticide applicator training; support to the 1890 Institutions and Tuskegee University; and renewable resource extension. Funding is also provided to support extension services at the 1994 institutions and extension Indian reservation agents. These programs are critical in bringing needed educational programs to Native American communities.

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

Identification code 12-0502-0-1-352	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	9	10	10
12.1 Civilian personnel benefits .....	3	3	3
21.0 Travel and transportation of persons .....	1	1	1
25.2 Other services .....	2	2	2
25.3 Purchases of goods and services from Government accounts .....	1	2	2
41.0 Grants, subsidies, and contributions .....	410	411	401
99.0 Subtotal, direct obligations .....	426	429	419
99.0 Reimbursable obligations .....	14	25	25
99.9 Total obligations .....	440	454	444

**Personnel Summary**

Identification code 12-0502-0-1-352	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	196	198	197

**ANIMAL AND PLANT HEALTH INSPECTION SERVICE**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES  
(INCLUDING TRANSFERS OF FUNDS)**

For expenses, not otherwise provided for, including those pursuant to the Act of February 28, 1947 (21 U.S.C. 114b-c), necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; to discharge the authorities of the Secretary of Agriculture under the Act of March 2, 1931 (46 Stat. 1468; 7 U.S.C. 426-426b); and to protect the environment, as authorized by law, [\$426,282,000] \$417,752,000, of which [\$4,500,000] \$4,105,000 shall be available for the control of outbreaks of insects, plant diseases, animal diseases and for control of pest animals and birds to the extent necessary to meet emergency conditions: *Provided*, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 percent: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$40,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to exceed four, of which two shall be for replacement only: *Provided further*, That, in addition, in emergencies which threaten any segment of the agricultural production industry of this country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of contagious or infectious disease or pests of animals, poultry, or plants, and for expenses in accordance with the Act of February 28, 1947, and section 102 of the Act of September 21, 1944, and any unexpended balances of funds transferred for such emergency purposes in the next preceding fiscal year shall be merged with such transferred amounts: *Provided further*, That appropriations hereunder shall be available pursuant to law

(7 U.S.C. 2250) for the repair and alteration of leased buildings and improvements, but unless otherwise provided the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

In fiscal year [1998] 1999 the agency is authorized to collect fees to cover the total costs of providing technical assistance, goods, or services requested by States, other political subdivisions, domestic and international organizations, foreign governments, or individuals, provided that such fees are structured such that any entity's liability for such fees is reasonably based on the technical assistance, goods, or services provided to the entity by the agency, and such fees shall be credited to this account, to remain available until expended, without further appropriation, for providing such assistance, goods, or services.

Of the total amount available under this heading in fiscal year [1998, \$88,000,000] 1999, \$100,000,000 shall be derived from user fees deposited in the Agricultural Quarantine Inspection User Fee Account. (10 U.S.C. 2306; 15 U.S.C. 69e, 1821-31; 16 U.S.C. 1531-43; 18 U.S.C. 1114; 19 U.S.C. 1306, 21 U.S.C. 101-105, 111-114, 114a-114c; 114d-1, 114e-131, 134-135b, 151-158; 26 U.S.C. 4491-94; 45 U.S.C. 71-74; 46 U.S.C. 466a-466(b); 49 U.S.C. 1471(a)-1509(d), 1741; 46 Stat. 67; 78 Stat. 939-940; 99 Stat. 1645-1650, 1654-1656, 1658-1659; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)

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

Identification code 12-1600-0-1-352	1997 actual	1998 est.	1999 est.
<b>Balance, start of year:</b>			
01.99 Balance, start of year .....	89	91	103
<b>Receipts:</b>			
02.01 Agricultural quarantine inspection fees .....	115	141	144
04.00 Total: Balances and collections .....	204	232	247
<b>Appropriation:</b>			
05.01 Salaries and expenses .....	-113	-129	-144
05.99 Subtotal appropriation .....	-113	-129	-144
07.99 Total balance, end of year .....	91	103	103

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

Identification code 12-1600-0-1-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
<b>Direct program:</b>			
00.01 Pest and disease exclusion .....	234	244	252
00.02 Plant and animal health monitoring .....	70	74	79
00.03 Pest and disease management programs .....	98	96	73
00.04 Animal care .....	10	10	10
00.05 Scientific and technical services .....	53	53	53
00.06 Contingencies .....	6	5	4
00.07 Emergency program funding .....	31	24	.....
01.00 Total direct program .....	502	506	471
09.01 Reimbursable program .....	53	54	55
10.00 Total obligations .....	555	560	526

**Budgetary resources available for obligation:**

21.40 Unobligated balance available, start of year:			
Uninvested .....	53	31	17
22.00 New budget authority (gross) .....	504	522	517
22.22 Unobligated balance transferred from other accounts .....	29	24	.....
23.90 Total budgetary resources available for obligation .....	586	577	534
23.95 New obligations .....	-555	-560	-526
24.40 Unobligated balance available, end of year:			
Uninvested .....	31	17	8

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

<b>Current:</b>			
40.00 Appropriation .....	337	338	318
40.20 Appropriation (special fund, definite) .....	98	88	100
42.00 Transferred from other accounts .....	.....	1	.....
43.00 Appropriation (total) .....	435	427	418
<b>Permanent:</b>			
60.25 Appropriation (special fund, indefinite) .....	15	41	44
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	54	54	55
70.00 Total new budget authority (gross) .....	504	522	517

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**  
**(INCLUDING TRANSFERS OF FUNDS)—Continued**

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

Identification code 12-1600-0-1-352	1997 actual	1998 est.	1999 est.
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	61	73	173
73.10 New obligations .....	555	560	526
73.20 Total outlays (gross) .....	-543	-460	-517
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	73	173	180
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	429	360	352
86.93 Outlays from current balances .....	47	6	67
86.97 Outlays from new permanent authority .....	62	89	92
86.98 Outlays from permanent balances .....	5	5	6
87.00 Total outlays (gross) .....	543	460	517
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-7	-7	-7
88.40 Non-Federal sources .....	-47	-47	-48
88.90 Total, offsetting collections (cash) .....	-54	-54	-55
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	450	468	462
90.00 Outlays .....	489	406	462

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	1997 actual	1998 est.	1999 est.
Enacted/requested:			
Budget Authority .....	450	468	462
Outlays .....	489	406	462
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			
Outlays .....			
<b>Total:</b>			
Budget Authority .....	450	468	462
Outlays .....	489	406	462

The major objectives of the Animal and Plant Health Inspection Service (APHIS) are to protect the animal and plant resources of the Nation from destructive pests and diseases. This mission is carried out under the five major areas of activity, as follows:

**Pest and disease exclusion.**—The agency conducts inspection and quarantine activities at U.S. ports-of-entry to prevent the introduction of exotic animal and plant diseases and pests. APHIS develops and conducts preclearance programs to ensure that agricultural products destined for U.S. ports-of-entry do not present a risk to U.S. agriculture. APHIS engages in cooperative programs in foreign countries to control pests of imminent concern to the United States. APHIS also certifies plants and plant products for export and regulates imports and exports of designated endangered plant species. User fees have been implemented to recover the cost of certain agricultural quarantine inspection services.

**Plant and animal health monitoring.**—The Agency conducts programs to assess animal and plant health and to detect endemic and exotic diseases and pests. The plant and animal health monitoring programs are primarily cooperative efforts of the Federal and State governments, and industry. The Agency also carries out surveys in cooperation with the States to detect harmful plant and animal pests and diseases and to determine if there is a need for pest eradication programs.

**Pest and disease management programs.**—The Agency carries out programs to control and eradicate infestations and animal diseases that threaten the United States; to reduce

agricultural losses caused by predatory animals, birds, and rodents; to provide technical assistance to States, counties, farmer or rancher groups, and foundations; and to ensure compliance with interstate movement and disease control regulations. Interstate shipments of plants, livestock, and related materials are monitored and regulated to prevent the spread of disease. APHIS protects agriculture from detrimental animal predators through identification, demonstration, and application of the most appropriate methods of control.

**Animal care.**—The Agency conducts regulatory activities which ensure the humane care and handling of animals used in research, exhibition, or the wholesale pet trade. The Agency is also responsible for administering the Horse Protection Act, which prohibits the showing, selling, or exhibition of sore horses.

**Scientific and technical services.**—APHIS develops methods to control animals and pests that are detrimental to agriculture, other wildlife, and public safety. The agency regulates genetic research to guard against the release of potentially harmful organisms into the environment. APHIS also conducts veterinary diagnostic laboratory activities and biologic regulatory enforcement to ensure that the products developed for combatting disease are potent, safe, and pure. It also provides and directs technology development in coordination with other groups in APHIS and Plant Protection and Quarantine (PPQ) officials to support PPQ programs of the Agency and its cooperators at the State, national, and international levels.

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

Identification code 12-1600-0-1-352	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	202	219	220
11.3 Other than full-time permanent .....	14	14	15
11.5 Other personnel compensation .....	22	11	10
11.9 Total personnel compensation .....	238	244	245
12.1 Civilian personnel benefits .....	55	56	55
13.0 Benefits for former personnel .....	1	1	1
21.0 Travel and transportation of persons .....	19	19	18
22.0 Transportation of things .....	4	4	4
23.2 Rental payments to others .....	6	4	4
23.3 Communications, utilities, and miscellaneous charges .....	13	15	13
24.0 Printing and reproduction .....	1	1	1
25.2 Other services .....	94	92	62
26.0 Supplies and materials .....	22	22	21
31.0 Equipment .....	21	21	21
Grants, subsidies, and contributions:			
41.0 United States-Colombia Commission to Prevent Foot-and-Mouth Disease .....	1	1	1
41.0 Joint Screwworm eradication programs .....	17	17	17
41.0 Joint Commission on the Mediterranean fruit fly .....	3	3	3
41.0 Grants, subsidies, and contributions-Other .....	3	3	2
Insurance claims and indemnities:			
42.0 Brucellosis .....	2	2	2
42.0 Karnal Bunt .....	2		
42.0 Tuberculosis .....		1	1
99.0 Subtotal, direct obligations .....	502	506	471
99.0 Reimbursable obligations .....	53	54	55
99.9 Total obligations .....	555	560	526

**Personnel Summary**

Identification code 12-1600-0-1-352	1997 actual	1998 est.	1999 est.
<b>Direct:</b>			
Total compensable workyears:			
1001 Full-time equivalent employment .....	3,668	3,560	3,224
1011 Exempt Full-time equivalent employment .....	1,987	2,098	2,128
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent employment .....	552	549	561

SALARIES AND EXPENSES

(Legislative proposal, not subject to PAYGO)

Upon enactment of authorization of fees to cover all administrative costs of services provided in support of biotechnology testing (pests) authorized under the Federal Plant Pest Act (7 U.S.C. 150aa–150jj); biotechnology testing (plants) authorized under the Plant Quarantine Act (7 U.S.C. 151–165 and 167); animal welfare licensing authorized under the Animal Welfare Act of 1966 (7 U.S.C. 2131–2159); veterinary biologics activities authorized under the Virus-Serum-Toxin Act as amended (21 U.S.C. 151–159); pink bollworm eradication authorized under section 2509 of Public Law 101–624 (21 U.S.C. 136a); and activities authorized under the Swine Health Protection Act of 1980 (7 U.S.C. 3801–3813); such fees shall be collected and credited to this account as an offsetting collection, to remain available until expended for the purpose of conducting such activities.

Program and Financing (in millions of dollars)

Identification code 12–1600–2–1–352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
09.01 Swine Health Protection .....			1
09.02 Pink Bollworm .....			1
09.03 Animal Welfare .....			3
09.04 Biotechnology .....			1
09.05 Veterinary Biologics .....			4
10.00 Total obligations .....			10
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			10
23.95 New obligations .....			–10
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....			10
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....			10
73.20 Total outlays (gross) .....			–10
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....			10
87.00 Total outlays (gross) .....			10
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal			
sources .....			–10
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

Legislation will be proposed to establish user fees for APHIS' costs for animal welfare inspections, such as for animal research centers, humane societies, and kennels; for the issuance of biotechnology certificates; for veterinary biologics licensing, inspections, and testing activities; for activities associated with the control and or eradication of pink bollworm; and inspections of facilities to comply with the garbage cooking requirements of the Swine Health Protection Act.

This is one of several proposals in the budget to charge fees to users directly availing themselves of, or subject to, a government service, program, or activity, in order to cover the government's costs. Legislation will be proposed to authorize the fees. Appropriations language is included which will, upon the enactment of the authorizing legislation, permit the Secretary to collect the fees and spend the collections.

Object Classification (in millions of dollars)

Identification code 12–1600–2–1–352	1997 actual	1998 est.	1999 est.
99.0 Reimbursable obligations: Subtotal, reimbursable obligations .....			10
99.9 Total obligations .....			10

Personnel Summary

Identification code 12–1600–2–1–352	1997 actual	1998 est.	1999 est.
Direct:			
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment .....			145

BUILDINGS AND FACILITIES

For plans, construction, repair, preventive maintenance, environmental support, improvement, extension, alteration, and purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and acquisition of land as authorized by 7 U.S.C. 428a, [\$4,200,000] \$5,200,000, to remain available until expended. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)

Identification code 12–1601–0–1–352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations .....	8	20	9
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	30	27	11
22.00 New budget authority (gross) .....	3	4	5
23.90 Total budgetary resources available for obligation	33	31	16
23.95 New obligations .....	–8	–20	–9
24.40 Unobligated balance available, end of year:			
Uninvested .....	27	11	8
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	3	4	5
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	14	13	16
73.10 New obligations .....	8	20	9
73.20 Total outlays (gross) .....	–9	–17	–8
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	13	16	17
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	3	1	1
86.93 Outlays from current balances .....	6	16	7
87.00 Total outlays (gross) .....	9	17	8
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3	4	5
90.00 Outlays .....	9	17	8

The buildings and facilities fund provides for construction, repairs, preventive maintenance, and alterations, as needed, for APHIS operated facilities, which include animal quarantine stations, border inspection stations, sterile insect rearing facilities, and laboratories.

The 1999 budget proposes \$5.2 million for this program, which consists of \$2.0 million for repairs, alterations, preventive maintenance, and renovations for currently owned APHIS facilities, and \$3.2 million for the modernization of the Plum Island, New York, Animal Disease Center.

Object Classification (in millions of dollars)

Identification code 12–1601–0–1–352	1997 actual	1998 est.	1999 est.
25.2 Other services .....	5	16	5
32.0 Land and structures .....	3	4	4
99.9 Total obligations .....	8	20	9

**Trust Funds**

**MISCELLANEOUS TRUST FUNDS**

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

Identification code 12-9971-0-7-352	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year .....	1	1	5
Receipts:			
02.02 Miscellaneous contributed funds .....	11	10	10
02.03 Fees for feed and attendants for animals in quar- antine .....		1	1
02.99 Total receipts .....	11	11	11
04.00 Total: Balances and collections .....	12	12	16
Appropriation:			
05.01 Miscellaneous trust funds .....	-11	-7	-7
07.99 Total balance, end of year .....	1	5	9

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

Identification code 12-9971-0-7-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.02 Expenses, feed, and attendants for animals in quar- antine .....	1	1	1
00.03 Miscellaneous contributed funds .....	7	6	6
10.00 Total obligations .....	8	7	7

**Budgetary resources available for obligation:**

Identification code 12-9971-0-7-352	1997 actual	1998 est.	1999 est.
21.40 Unobligated balance available, start of year:			
Uninvested .....	3	6	6
22.00 New budget authority (gross) .....	11	7	7
23.90 Total budgetary resources available for obligation .....	14	13	13
23.95 New obligations .....	-8	-7	-7
24.40 Unobligated balance available, end of year:			
Uninvested .....	6	6	6

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

Identification code 12-9971-0-7-352	1997 actual	1998 est.	1999 est.
60.27 Appropriation (trust fund, indefinite) .....	11	7	7

**Change in unpaid obligations:**

Identification code 12-9971-0-7-352	1997 actual	1998 est.	1999 est.
73.10 New obligations .....	8	7	7
73.20 Total outlays (gross) .....	-9	-7	-7

**Outlays (gross), detail:**

Identification code 12-9971-0-7-352	1997 actual	1998 est.	1999 est.
86.97 Outlays from new permanent authority .....	8	6	6
86.98 Outlays from permanent balances .....	1	1	1
87.00 Total outlays (gross) .....	9	7	7

**Net budget authority and outlays:**

Identification code 12-9971-0-7-352	1997 actual	1998 est.	1999 est.
89.00 Budget authority .....	11	7	7
90.00 Outlays .....	9	7	7

**Distribution of budget authority by account:**

Identification code 12-9971-0-7-352	1997 actual	1998 est.	1999 est.
Miscellaneous contributed funds .....	7	7	7

**Distribution of outlays by account:**

Identification code 12-9971-0-7-352	1997 actual	1998 est.	1999 est.
Miscellaneous contributed funds .....	9	8	8

The following services are financed by fees and miscellaneous contributions advanced by importers, manufacturers, States, organizations, individuals, and others:

*Expenses, feed, and attendants for animals in quarantine.*—All costs associated with the quarantine of animals are paid from fees advanced by importers (21 U.S.C. 102).

*Miscellaneous contributed funds.*—Funds are received from States, local organizations, individuals, and others and are available for plant and animal quarantine inspection and cooperative plant and animal disease and pest control activities (7 U.S.C. 450b, 2220). Commencing in 1979, fees were collected for the importation of commercial birds.

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

Identification code 12-9971-0-7-352	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	6	6	6	6
1999 Total assets .....	6	6	6	6
<b>LIABILITIES:</b>				
2101 Federal liabilities: Accounts payable .....	1	1	1	1
2999 Total liabilities .....	1	1	1	1
<b>NET POSITION:</b>				
3600 Other .....	5	5	5	5
3999 Total net position .....	5	5	5	5
4999 Total liabilities and net position .....	6	6	6	6

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

Identification code 12-9971-0-7-352	1997 actual	1998 est.	1999 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....		1	1
11.5 Other personnel compensation .....		3	2
11.9 Total personnel compensation .....		4	3
12.1 Civilian personnel benefits .....		1	1
21.0 Travel and transportation of persons .....		1	1
25.2 Other services .....		2	2
99.9 Total obligations .....		8	7

**Personnel Summary**

Identification code 12-9971-0-7-352	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	80	80	75

**FOOD SAFETY AND INSPECTION SERVICE**

The following table depicts the total funding for the Food Safety and Inspection Service, which includes appropriated funds and proceeds from proposed user fees:

[In millions of dollars]

	1997 actual	1998 est.	1999 est.
<b>Appropriations:</b>			
<b>Enacted/requested:</b>			
Budget Authority .....	574	590	150
Outlays .....	570	589	169
<b>User Fee:</b>			
Budget Authority .....			473
Outlays .....			449
<b>Total:</b>			
Budget Authority .....	574	590	623
Outlays .....	570	589	618

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses to carry on services authorized by the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act, [S\$589,263,000, of which \$5,000,000 shall be available for obligation only after promulgation of a final rule to implement the provisions of subsection (e) of section 5 of the Egg Products Inspection Act (21 U.S.C. 1034(e))] \$149,566,000, and in addition, \$1,000,000 may be credited to this account from fees collected for the cost of laboratory accreditation as authorized by section 1017 of Public Law 102-237: *Provided*, That this appropriation shall not be available for shell egg surveillance under section 5(d) of the Egg Products Inspection Act (21 U.S.C. 1034(d)); *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$75,000 shall be



available for employment under 5 U.S.C. 3109: *Provided further*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building: *Provided further*, That notwithstanding the Federal Meat Inspection Act and the Poultry Products Inspection Act, the Food Safety and Inspection Service may pay States up to 75 percent of the funding for Cooperative Inspection Programs for the Field Automation and Information Management Project, laboratory pathogen detection systems, and training in the principles and procedures of Hazard Analysis and Critical Control Point systems. (7 U.S.C. 450, 1901-06; 10 U.S.C. 2306; 18 U.S.C. 1114; 21 U.S.C. 451-470, 601-624, 641-645, 661, 671-680, 691-692; 694-695; Public Law 99-641; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)

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

Identification code 12-3700-0-1-554	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	575	589	150
09.01 Reimbursable program .....	81	82	82
10.00 Total obligations .....	656	671	232
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	2	1	
22.00 New budget authority (gross) .....	655	671	232
23.90 Total budgetary resources available for obligation	657	672	232
23.95 New obligations .....	-656	-671	-232
24.40 Unobligated balance available, end of year:			
Uninvested .....	1		
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	574	589	150
Permanent:			
68.00 Spending authority from offsetting collections: Off-			
setting collections (cash) .....	81	82	82
70.00 Total new budget authority (gross) .....	655	671	232
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	36	39	39
73.10 New obligations .....	656	671	232
73.20 Total outlays (gross) .....	-651	-671	-233
73.40 Adjustments in expired accounts .....	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	39	39	38
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	546	565	144
86.93 Outlays from current balances .....	24	24	7
86.97 Outlays from new permanent authority .....	81	82	82
87.00 Total outlays (gross) .....	651	671	233
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-1	-1	-1
88.40 Non-Federal sources .....	-80	-81	-81
88.90 Total, offsetting collections (cash) .....	-81	-82	-82
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	574	589	150
90.00 Outlays .....	570	589	151

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	1997 actual	1998 est.	1999 est.
Enacted/requested:			
Budget Authority .....	574	589	150
Outlays .....	570	589	151
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			
Outlays .....			

Total:	574	589	150
Budget Authority .....	574	589	150
Outlays .....	570	589	151

The primary objectives of the Food Safety and Inspection Service are to ensure that meat, poultry, and egg products are wholesome, unadulterated, and properly labeled and packaged, as required by the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act. Providing adequate resources for Federal food safety agencies continues to be a priority of the Administration, and the 1999 budget proposes a \$33 million increase for inspection of meat, poultry, and egg products to cover pay cost increases for inspectors, grants for special assistance to state inspection programs, and additional food safety education activities.

The meat, poultry, and egg products inspection program of the Food Safety and Inspection Service provides in-plant inspection of all domestic plants preparing meat, poultry, or egg products for sale or distribution; reviews foreign inspection systems and establishments that prepare meat, poultry, or egg products for export to the United States; and provides technical and financial assistance to States which maintain meat and poultry inspection programs.

In 1999, the Administration is proposing a new user fee to offset the cost of Federal meat, poultry, and egg products inspection. The proposal would require industry to reimburse the government for all Federal services. This proposal would ensure that sufficient resources are available to provide the level of in-plant inspection necessary to meet the demands of the industry.

On January 25, 1997, the President announced the 1998 President's National Food Safety Initiative. The initiative included six components for improving the Federal food inspection system. Key components included expansion of the Federal food safety surveillance system, better coordination between Federal, State and local health authorities, implementation of improved inspection strategies, improved risk assessment capabilities, additional research, and more food safety education for consumers and retail food service workers. The 1999 Food Safety Initiative builds upon the framework developed during the 1998 process. In 1999, the focus of this initiative is on enhancing the safety of imported and domestic fruits and vegetables, increasing food safety education efforts targeted to high risk populations, and development of information and tools necessary to cover a broader range of food safety hazards.

**FEDERALLY FUNDED INSPECTION ACTIVITIES**

	1997 actual	1998 est.	1999 est.
<b>Federally inspected establishments:</b>			
Slaughter plants .....	274	268	262
Processing plants .....	4,352	4,441	4,312
Combination slaughter and processing plants .....	976	1,001	973
Talmadge-Aiken plants .....	221	218	216
Import establishments .....	156	148	139
Egg plants .....	79	81	80
<b>Federally inspected and passed production (millions of pounds):</b>			
Meat slaughter .....	40,522	41,002	41,488
Poultry slaughter .....	44,233	46,505	48,894
Egg products .....	3,179	3,360	3,550
Product inspected and passed under HACCP system: <sup>a</sup> .....	N/A	51,316	88,308
<b>Import/export activity (millions of pounds):</b>			
Meat and poultry imported .....	2,400	2,400	2,400
Meat and poultry exported .....	8,200	8,200	9,000
<b>States and territories with cooperative programs:<sup>b</sup></b>			
Intrastate inspection .....	26	25	25
Talmadge-Aiken inspection .....	9	9	9
Number of slaughter and/or processing plants (excludes exempt plants) .....	2,840	2,820	2,800
Pounds inspected slaughter (millions) .....	1,265	1,392	1,532
<b>Compliance activities:</b>			
Marketplace reviews .....	—	20,000	< 101,000
Corrective action reviews .....	26,142	50,000	50,000
Corrective actions completed .....	327	600	700

**General and special funds—Continued**  
**SALARIES AND EXPENSES—Continued**

**FEDERALLY FUNDED INSPECTION ACTIVITIES—Continued**

	1997 actual	1998 est.	1999 est.
<b>Product Testing (samples analyzed):</b>			
Food chemistry .....	18,478	15,000	15,000
Food microbiology .....	83,669	250,000	250,000
Chemical residues .....	47,582	40,000	40,000
Antibiotic residues .....	115,659	115,000	115,000
Pathology samples .....	5,710	6,000	6,000
<b>Egg Products:</b>			
Food chemistry .....	0	200	200
Food microbiology .....	1,966	2,000	2,000
Chemical residues .....	816	900	900
<b>Consumer Education and public outreach:</b>			
Meat and Poultry Hotline Calls received .....	138,120	163,000	168,000
<b>Epidemiological Investigations:</b>			
Cooperative efforts with State and public health offices .....	40	40	40
Illnesses reported and treated <sup>d</sup> .....	7,332	7,332	7,332
<b>Field Automation and Information Management Project (cumulative):</b>			
Number of computers provided to field inspection staff .....	1,944	2,744	4,369

<sup>a</sup>Production data on meat and poultry slaughter operations reflect estimated output of establishments required to produce under HACCP systems.  
<sup>b</sup>States with cooperative agreements which are operating programs.  
<sup>c</sup>Includes retail inspection audits and State assist activities—1,000; and marketplace sampling, testing, reviewing and evaluation—100,000.  
<sup>d</sup>Data must be collected over a number of years to chart national trends and estimate the incidence of foodborne illness and treatment.

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

Identification code 12-3700-0-1-554	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	330	340	61
11.3 Other than full-time permanent .....	15	15	3
11.5 Other personnel compensation .....	16	17	3
11.9 Total personnel compensation .....	361	372	67
12.1 Civilian personnel benefits .....	93	97	18
13.0 Benefits for former personnel .....	3	3	1
21.0 Travel and transportation of persons .....	23	23	5
22.0 Transportation of things .....	3	3	1
23.2 Rental payments to others .....	1	1	
23.3 Communications, utilities, and miscellaneous charges .....	6	6	2
24.0 Printing and reproduction .....	1	1	
25.1 Advisory and assistance services .....	5	4	1
25.2 Other services .....	9	9	3
25.3 Purchases of goods and services from Government accounts .....	5	5	1
25.4 Operation and maintenance of facilities .....	2	2	
26.0 Supplies and materials .....	9	9	2
31.0 Equipment .....	12	13	6
41.0 Grants, subsidies, and contributions .....	42	41	43
99.0 Subtotal, direct obligations .....	575	589	150
99.0 Reimbursable obligations .....	81	82	82
99.9 Total obligations .....	656	671	232

**Personnel Summary**

Identification code 12-3700-0-1-554	1997 actual	1998 est.	1999 est.
<b>Direct:</b>			
1001 Total compensable workyears: Full-time equivalent employment .....	9,432	9,440	1,650
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent employment .....	221	216	204

**SALARIES AND EXPENSES**

(Legislative proposal, not subject to PAYGO)

*Upon enactment of authorization of a fee for the inspection of livestock, meat, poultry, and products thereof, and egg products, such fees may be collected and credited to this account as an offsetting collection, to remain available until expended for the purpose of conducting such inspections.*

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

Identification code 12-3700-2-1-554	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program .....			473
10.00 Total obligations .....			473
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			473
23.95 New obligations .....			-473
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....			473
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....			473
73.20 Total outlays (gross) .....			-473
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....			473
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....			-473
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

Legislation will be proposed to charge fees for the cost of all Federal inspection of meat, poultry, and egg products at all establishments inspected by the Food Safety and Inspection Service (FSIS). Currently, fees to reimburse the cost of overtime inspection are required at some FSIS-inspected establishments, but not at others. Requiring the payment of user fees for inspection services would not only result in savings to the taxpayer, but would also ensure that sufficient resources are available to provide the mandatory inspection services needed to meet increasing industry demand. These fees would result in a cost of less than one cent per pound of product to consumers, but would allow the government to maintain its level of inspection effort to ensure a safe supply of meat, poultry and egg products. The implementation of the user fee authority would be designed to be fair and equitable; promote accountability and efficiency; and minimize any impact on the competitive balance among affected industries.

This is one of several proposals in the budget to charge fees to users directly availing themselves of, or subject to, a government service, program, or activity, in order to cover the government's costs.

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

Identification code 12-3700-2-1-554	1997 actual	1998 est.	1999 est.
99.0 Reimbursable obligations: Subtotal, reimbursable obligations .....			472
99.5 Below reporting threshold .....			1
99.9 Total obligations .....			473

**Personnel Summary**

Identification code 12-3700-2-1-554	1997 actual	1998 est.	1999 est.
2001 Total compensable workyears: Full-time equivalent employment .....			7,806

**Trust Funds**

**EXPENSES AND REFUNDS, INSPECTION AND GRADING OF FARM PRODUCTS**

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

Identification code 12-8137-0-7-352	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year .....			
Receipts:			
02.01 Fees for inspection and grading of farm products .....	4	5	5
Appropriation:			
05.01 Expenses and refunds, inspection and grading of farm products .....	-4	-5	-5
07.99 Total balance, end of year .....			

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

Identification code 12-8137-0-7-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations .....	4	5	5
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	4	5	5
23.95 New obligations .....	-4	-5	-5
<b>New budget authority (gross), detail:</b>			
60.27 Appropriation (trust fund, indefinite) .....	4	5	5
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....	4	5	5
73.20 Total outlays (gross) .....	-4	-5	-5
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	4	5	5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	4	5	5
90.00 Outlays .....	4	5	5

Under authority of the Agricultural Marketing Act of 1946, Federal meat and poultry inspection services are provided upon request and for a fee in cases where inspection is not mandated by statute. This service includes: certifying products for export beyond the requirements of export certificates; inspecting certain animals and poultry intended for human food where inspection is not required by statute, such as buffalo, rabbit, and quail; and inspecting products intended for animal consumption.

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

Identification code 12-8137-0-7-352	1997 actual	1998 est.	1999 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	2	2	2
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	3	3	3
12.1 Civilian personnel benefits .....	1	1	1
99.0 Subtotal, direct obligations .....	4	4	4
99.5 Below reporting threshold .....		1	1
99.9 Total obligations .....	4	5	5

**Personnel Summary**

Identification code 12-8137-0-7-352	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	42	46	42

**GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses to carry out the provisions of the United States Grain Standards Act, for the administration of the Packers and Stockyards Act, for certifying procedures used to protect purchasers of farm products, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, including field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$25,000 for employment under 5 U.S.C. 3109, **[\$23,928,000] \$11,797,000: Provided**, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building. (7 U.S.C. 71, 74-79, 84-87, 181-229, 1621-27; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)

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

Identification code 12-2400-0-1-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Standardization .....	3	4	
00.02 Compliance .....	5	4	5
00.03 Methods Development .....	3	3	
00.04 Packers and Stockyards Program .....	12	13	3
00.05 Start Up Costs .....			4
10.00 Total obligations .....	23	24	12
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	23	24	12
23.95 New obligations .....	-23	-24	-12
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	23	24	12
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	4	4	4
73.10 New obligations .....	23	24	12
73.20 Total outlays (gross) .....	-23	-24	-14
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	4	4	2
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	19	21	11
86.93 Outlays from current balances .....	4	3	3
87.00 Total outlays (gross) .....	23	24	14
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	23	24	12
90.00 Outlays .....	21	24	14

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	1997 actual	1998 est.	1999 est.
<b>Enacted/requested:</b>			
Budget Authority .....	23	24	12
Outlays .....	23	24	14
<b>Legislative proposal, not subject to PAYGO:</b>			
Budget Authority .....			
Outlays .....			
<b>Total:</b>			
Budget Authority .....	23	24	12
Outlays .....	23	24	14

The Grain Inspection, Packers and Stockyards Administration (GIPSA) establishes official United States standards for grain, promotes the uniform application thereof by official inspection personnel, provides for an official inspection system for grain, and regulates the weighing and certification of the weight of grain shipped in interstate or foreign commerce

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

as authorized by the U.S. Grain Standards Act (USGSA), as amended, and the regulations thereof, and the Agricultural Marketing Act of 1946 (AMA).

Standardization activities include establishing and updating U.S. grain standards, research, and developing and improving methods to ensure the accurate and uniform application of the standards.

The compliance activities ensure the accurate and uniform application of the USGSA and applicable provisions of the AMA. The compliance program functions include: (1) evaluating alleged violations and initiating preliminary investigations; (2) initiating the implementation of corrective actions; (3) conducting management and technical reviews; (4) administering the designations and delegations of State and private agencies to perform official functions and monitoring the performance of the agencies; (5) identifying and, where appropriate, waiving and monitoring conflicts of interest; (6) licensing personnel of delegated States and designated agencies; (7) registering persons/firms engaged in the business of buying grain for sale in foreign commerce, and in the business of handling, weighing, or transporting of grain for sale in foreign commerce; (8) responding to audits of Grain Inspection programs; and (9) reviewing and, when appropriate, approving official agencies' fee schedules.

The International Monitoring Staff briefs foreign buyers, assesses foreign inspection and weighing techniques, and responds to foreign quality and quantity complaints.

An advisory committee consisting of members from the grain industry exists to advise the Agency regarding efficient and economical implementation of the USGSA.

The Grain Quality Improvement Act of 1986 was enacted on November 10, 1986, to improve the quality of U.S. grain by prohibiting the introduction and reintroduction of dockage and foreign material to grain.

For 1999, authorizing legislation will be submitted to permit, subject to appropriations, the collection and use of fees to cover the cost of standardization activities and methods development activities. In addition, a one-time increase is proposed to relocate staff to more effectively analyze and investigate violations of the Packers and Stockyards Act.

The goal of the Packers and Stockyards program is to ensure the integrity of the livestock, meat, and poultry markets and the marketplace in order to protect producers against unfair, deceptive, or discriminatory practices as well as those that are predatory or monopolistic in nature. Consumers and members of the livestock, poultry, and meat industries are also protected against unfair business practices in the marketing of livestock, meat and poultry, and from restrictions on competition which could unduly affect prices. The Agency also carries out the Secretary's responsibilities under Section 1324 of the Food Security Act of 1985 covering "central filing systems" established by States for pre-notification of security interests against farm products.

Authorizing legislation will be submitted that would establish a license fee that, subject to appropriations, would allow the collection and expenditure of funds for all costs associated with administering the Packers and Stockyards Act. Authorizing legislation will also be submitted to establish a Dealers Trust. This would require livestock inventories and accounts receivable due from the sale of livestock to be held in trust for unpaid cash sellers at a time of financial failure.

**MAIN WORKLOAD FACTORS**

	1997 actual	1998 est.	1999 est.
U.S. standards in effect at end of year .....	19	19	19
Standards reviews in progress .....	7	3	3
Standards reviews completed .....	3	3	3
Inspection techniques developed .....	10	2	2

On-site investigations .....	10	12	13
Designations renewed .....	20	21	22
Registration certificates issued .....	85	83	80
Investigations .....	1,820	1,800	1,700
Market agencies/dealers registered .....	6,900	6,850	6,800
Stockyards posted .....	1,335	1,320	1,300
Slaughtering and processing packers subject to the Act (estimated) .....	6,000	6,000	6,000
Distributors, brokers, and dealers subject to the Act (estimated) .....	6,500	6,500	6,400
Poultry operations subject to the Act .....	210	212	214

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

Identification code 12-2400-0-1-352	1997 actual	1998 est.	1999 est.
11.1 Personnel compensation: Full-time permanent .....	15	15	4
12.1 Civilian personnel benefits .....	3	3	1
21.0 Travel and transportation of persons .....	1	1	3
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	2	3	2
31.0 Equipment .....	1	1	1
99.9 Total obligations .....	23	24	12

**Personnel Summary**

Identification code 12-2400-0-1-352	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	309	345	85

**SALARIES AND EXPENSES**

(Legislative proposal, not subject to PAYGO)

*Upon enactment of authorization of a fee to cover all administrative costs authorized under the Packers and Stockyards Act (7 U.S.C. 181-229), such fees shall be collected and credited to this account as offsetting collections, to remain available until expended for the purpose of conducting such activities.*

*Further, upon enactment of authorization of a fee for services provided in support of standardization and methods of development activities authorized in section 16(i)(2) and 16(j) of the United States Grain Standards Act (7 U.S.C. 87e(i)(2) and 87e(j)), such fees shall be collected and credited to this account as an offsetting collection, to remain available until expended, as authorized by section 7(j)(1) of such Act, for authorized purposes.*

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

Identification code 12-2400-2-1-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
09.01 Standardization .....			3
09.03 Methods Development .....			3
09.04 Packers and Stockyards Programs .....			11
10.00 Total obligations .....			17
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			17
23.95 New obligations .....			-17
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....			17
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....			17
73.20 Total outlays (gross) .....			-17
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....			17
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....			-17
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

Legislation will be proposed to establish a fee for the standardization activities and the methods development activities of the Grain Inspection, Packers and Stockyards Administration, a licensing fee to cover the costs of administering meat packing and stockyard activities, and a statutory dealers trust.

This is one of several proposals in the budget to charge fees to users directly availing themselves of, or subject to, a government service, program, or activity, in order to cover the government's costs. Legislation will be proposed to authorize the fees. Appropriations language is included which will, upon the enactment of the authorizing legislation, permit the Secretary to collect the fees and spend the collections.

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

Identification code 12-2400-2-1-352	1997 actual	1998 est.	1999 est.
99.0 Reimbursable obligations: Subtotal, reimbursable obligations .....			17
99.9 Total obligations .....			17

**Personnel Summary**

Identification code 12-2400-2-1-352	1997 actual	1998 est.	1999 est.
2001 Total compensable workyears: Full-time equivalent employment .....			260

**Public enterprise funds:**

INSPECTION AND WEIGHING SERVICES

LIMITATION ON INSPECTION AND WEIGHING SERVICE EXPENSES

Not to exceed **[\$43,092,000]** \$42,557,000 (from fees collected) shall be obligated during the current fiscal year for inspection and weighing services: *Provided*, That if grain export activities require additional supervision and oversight, or other uncontrollable factors occur, this limitation may be exceeded by up to 10 percent with notification to the Appropriations Committees. (7 U.S.C. 71, 74-79, 84-87, 1621-27; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)

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

Identification code 12-4050-0-3-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program .....	32	43	43
10.00 Total obligations .....	33	43	43

**Budgetary resources available for obligation:**

21.40 Unobligated balance available, start of year:			
Uninvested .....	4	3	3
22.00 New budget authority (gross) .....	32	43	43
23.90 Total budgetary resources available for obligation	36	46	46
23.95 New obligations .....	-33	-43	-43
24.40 Unobligated balance available, end of year:			
Uninvested .....	3	3	3

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

68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....	32	43	43

**Change in unpaid obligations:**

72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	2	2	2
73.10 New obligations .....	33	43	43
73.20 Total outlays (gross) .....	-33	-43	-43
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	2	2	2

**Outlays (gross), detail:**

86.97 Outlays from new permanent authority .....	32	43	43
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**Offsets:**

Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-32	-43	-43

**Net budget authority and outlays:**

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

The Grain Inspection, Packers and Stockyards Administration (GIPSA) provides a uniform system for the inspection and weighing of grain. Services provided under this system are financed through a fee supported revolving fund. This authority has been extended through September 2000.

Fee supported programs include direct services, supervision activities and administrative functions. Direct services include official grain inspection and weighing by GIPSA employees at certain export ports as well as the inspection of U.S. grain shipped through Canada. The Agency supervises the inspection and weighing activities performed by its own employees. The agency also oversees the inspection and weighing of grain performed by employees of 8 delegated States and 57 designated State and private agencies. The Agency provides an appeal service of original grain inspections and a registration system for grain exporting firms. Through support from the Association of American Railroads and user fees, GIPSA conducts a railroad track scale testing program. In addition, the agency provides grading services, on request, for rice and grain related products under the authority of the Agricultural Marketing Act of 1946 (AMA).

	1997 actual	1998 est.	1999 est.
Export grain inspected and/or weighed (million metric tons):			
By Federal personnel .....	74.0	80.4	88.4
By delegated States .....	27.5	29.9	32.8
Quantity of grain inspected (all official inspections) million metric tons .....	124.0	121.1	117.3
Number of inspections and reinspections:			
By Federal personnel .....	125,292	122,000	118,500
By delegated state/official agency licenses .....	1,935,050	1,878,000	1,821,500
Number of appeals .....	3,140	3,200	3,200
Number of appeals carried to the Board of Appeals and Review .....	683	700	700
Quantity of rice inspected (million metric tons) .....	3.5	3.7	3.9
Quantity of rice exports (million metric tons) .....	2.5	2.7	2.8

**Statement of Operations** (in millions of dollars)

Identification code 12-4050-0-3-352	1996 actual	1997 actual	1998 est.	1999 est.
0101 Revenue .....	31	32	43	43
0102 Expense .....	-34	-33	-43	-43
0109 Net income or loss (-) .....	-3	-1		

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

Identification code 12-4050-0-3-352	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with				
Treasury .....	1		1	1
1206 Non-Federal assets: Receivables, net .....	4	4	4	4
1803 Other Federal assets: Property, plant and equipment, net .....	1		1	1
1999 Total assets .....	6	4	6	6
<b>LIABILITIES:</b>				
2101 Federal liabilities: Accounts payable .....		-2		
Non-Federal liabilities:				
2201 Accounts payable .....	1	1	1	1
2207 Other .....	2	4	3	3
2999 Total liabilities .....	3	3	4	4
<b>NET POSITION:</b>				
3100 Appropriated capital .....	8	4	4	4
3200 Invested capital .....		9	6	6
3300 Cumulative results of operations .....	-5	-9	-5	-5
3500 Future funding requirements .....		-3	-3	-3
3999 Total net position .....	3	1	2	2
4999 Total liabilities and net position .....	6	4	6	6

**Public enterprise funds—Continued**

**INSPECTION AND WEIGHING SERVICES—Continued**

**LIMITATION ON INSPECTION AND WEIGHING SERVICE EXPENSES—Continued**

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

Identification code 12-4050-0-3-352	1997 actual	1998 est.	1999 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	17	22	22
11.3 Other than full-time permanent .....	1	1	1
11.5 Other personnel compensation .....	4	4	4
11.9 Total personnel compensation .....	22	27	27
12.1 Civilian personnel benefits .....	4	5	5
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	3	7	7
26.0 Supplies and materials .....	1	1	1
99.0 Subtotal, reimbursable obligations .....	32	43	43
99.5 Below reporting threshold .....	1		
99.9 Total obligations .....	33	43	43

**Personnel Summary**

Identification code 12-4050-0-3-352	1997 actual	1998 est.	1999 est.
2001 Total compensable workyears: Full-time equivalent employment .....	479	479	479

**AGRICULTURAL MARKETING SERVICE**

**Federal Funds**

**General and special funds:**

**MARKETING SERVICES**

For necessary expenses to carry on services related to consumer protection, agricultural marketing and distribution, transportation, and regulatory programs, as authorized by law, and for administration and coordination of payments to States; including field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$90,000 for employment under 5 U.S.C. 3109, **[\$46,592,000] \$58,469,000**, including funds for the wholesale market development program for the design and development of wholesale and farmer market facilities for the major metropolitan areas of the country: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

Fees may be collected for the cost of standardization activities, as established by regulation pursuant to law (31 U.S.C. 9701). (7 U.S.C. 1291, 1621-27; 15 U.S.C. 714-714p; 21 U.S.C. 1031-56; 26 U.S.C. 6804, 7233, 7263, 7492-93, 7701; 49 U.S.C. 1653.)

**LIMITATION ON ADMINISTRATIVE EXPENSES**

Not to exceed **[\$59,521,000] \$60,730,000** (from fees collected) shall be obligated during the current fiscal year for administrative expenses: *Provided*, That if crop size is understated and/or other uncontrollable events occur, the agency may exceed this limitation by up to 10 percent with notification to the Appropriations Committees. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-2500-0-1-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
<b>Direct program:</b>			
00.01 Market news service .....	22	22	23
00.02 Inspection and standardization .....	6	6	6
00.03 Market protection and promotion .....	5	14	24
00.04 Wholesale market development .....	2	2	2
00.05 Transportation services .....	3	3	3

00.91 Total direct program .....	38	47	58
09.01 Reimbursable program .....	56	63	64
10.00 Total obligations .....	94	110	122

**Budgetary resources available for obligation:**

21.40 Unobligated balance available, start of year:			
Uninvested .....	39	35	35
22.00 New budget authority (gross) .....	91	110	122
22.30 Unobligated balance expiring .....	-1		
23.90 Total budgetary resources available for obligation .....	129	145	157
23.95 New obligations .....	-94	-110	-122
24.40 Unobligated balance available, end of year:			
Uninvested .....	35	35	35

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

<b>Current:</b>			
40.00 Appropriation .....	39	47	58
<b>Permanent:</b>			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	52	63	64
70.00 Total new budget authority (gross) .....	91	110	122

**Change in unpaid obligations:**

72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	22	24	28
73.10 New obligations .....	94	110	122
73.20 Total outlays (gross) .....	-94	-105	-120
73.40 Adjustments in expired accounts .....	2		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	24	28	30

**Outlays (gross), detail:**

86.90 Outlays from new current authority .....	39	42	51
86.93 Outlays from current balances .....	3		5
86.97 Outlays from new permanent authority .....	52	63	64
87.00 Total outlays (gross) .....	94	105	120

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	-2	-2	-2
88.40 Non-Federal sources .....	-50	-61	-62
88.90 Total, offsetting collections (cash) .....	-52	-63	-64

**Net budget authority and outlays:**

89.00 Budget authority .....	39	47	58
90.00 Outlays .....	42	42	56

Agricultural Marketing Service activities assist producers and handlers of agricultural commodities by providing a variety of marketing services. These services continue to become more complex as the volume of agricultural commodities increases, as a greater number of new processed commodities are developed, and as the agricultural market structure undergoes extensive changes. Marketing changes include increased concentration in food retailing, direct buying, decentralization of processing, growth of interregional competition, vertical integration, and contract farming.

In 1999, \$6.3 million has been included as part of the Administration's Food Safety Initiative. These funds will be used to expand the Pesticide Data Program to monitor microbiological pathogens, and to establish a baseline for the level of these on fruits and vegetables.

The individual Marketing Services activities include:

**Market news service.**—The market news program provides the agricultural community with information pertaining to the movement of agricultural products. This nationwide service provides daily reports on the supply, demand, and price of over 700 commodities on domestic and foreign markets.

**Inspection, grading and standardization.**—Nationally uniform standards of quality for agricultural products are established and applied to specific lots of products to: promote confidence between buyers and sellers; reduce hazards in marketing due to misunderstandings and disputes arising from the use of nonstandard descriptions; and encourage better

preparation of uniform quality products for market. Grading services are provided for cotton and domestic and imported tobacco.

Quarterly inspection of egg handlers and hatcheries is conducted to ensure the proper disposition of shell eggs unfit for human consumption.

**MARKET NEWS PROGRAM**

	1997 actual	1998 est.	1999 est.
Percentage of reports released on time .....	90	94	94

**COTTON AND TOBACCO USER FEE PROGRAM**

	1997 actual	1998 est.	1999 est.
Cotton classed (samples in millions) .....	17.7	17.8	17.8
Tobacco auction markets (million pounds) .....	1632	1,472	1,472
Imported tobacco inspected at markets and ports of entry (million pounds) .....	468	425	425

**FEDERALLY FUNDED INSPECTION AND PROCUREMENT ACTIVITIES**

	1997 actual	1998 est.	1999 est.
States and Commonwealths with cooperative agreements .....	46	46	46
Percentage of noncomplying shell egg lots that are reprocessed or diverted .....	100	100	100

**STANDARDIZATION ACTIVITIES**

	1997 actual	1998 est.	1999 est.
International and U.S. standards in effect, end of fiscal year .....	584	587	581
Number of commodities covered .....	230	230	229
Standards revised .....	8	20	12

**Market protection and promotion.**—This program consists of: (1) the research and promotion programs which are designed to improve the competitive position and expand markets for cotton, eggs and egg products, honey, pork, beef, dairy products, potatoes, watermelons, mushrooms, soybeans, fluid milk and popcorn; (2) the Federal Seed Act; and (3) the administration of the Capper-Volstead Act and the Agricultural Fair Practices Act.

The pesticide recordkeeping program monitors compliance of private certified applicators with Federal regulations requiring them to keep records of restricted pesticides used in agricultural production.

The pesticide data program develops comprehensive, statistically defensible information on pesticide residues in food to improve government dietary risk procedures.

Federal seed inspectors conduct tests on seed samples to help ensure truthful labeling of agricultural and vegetable seeds sold in interstate commerce.

The Capper-Volstead Act and the Agricultural Fair Practices Act protect producers against discriminatory practices by handlers, permit producers to engage in cooperative efforts, and ensure that such cooperatives do not engage in practices that monopolize or restrain trade.

The national organic program is being established to certify that organically produced food products meet national standards.

**MARKET PROTECTION AND PROMOTION ACTIVITIES**

	1997 actual	1998 est.	1999 est.
<b>Pesticide Data Program:</b>			
Number of analyses performed .....	0 <sup>1</sup>	51,000	55,000
Percentage of sampling and analysis goal .....	0 <sup>2</sup>	100	100
<b>Pesticide Recordkeeping:</b>			
Number of State/Federal Inspections .....	4,748	4,658	4,800
Percentage of sampling goal attained .....	102	98	98
<b>Seed Act:</b>			
<b>Interstate investigations:</b>			
Completed .....	597	650	650
Pending .....	550	550	550
Seed samples tested .....	2,494	3,000	3,000
Percentage of cases submitted that are completed .....	106	92	92
<b>Plant Variety Protection Act:</b>			
Percentage of application processing goal completed .....	63	81	89
Number of applications received .....	417	350	350
Certificates of protection issued .....	182	250	275
<b>Research and promotion collections (dollars in millions):</b>			
Beef .....	45.6	44.0	44.0

Cotton .....	61.3	63.0	61.8
Dairy—National .....	76.5	77.3	78.0
Honey .....	3.3	3.4	3.4
Pork .....	59.0	56.7	56.7
Egg .....	16.0	16.0	16.0
Potato .....	7.9	8.2	8.2
Watermelon .....	1.2	1.4	1.4
Mushroom .....	2.3	2.4	2.4
Popcorn .....	0	0.3	0.3
Soybean .....	41.5	40.0	40.0
Fresh cut flowers and greens .....	10.1	0	0
Fluid Milk .....	115.8	105.6	105.8
Percentage of board budgets and marketing plans approved within time frame goal .....	83	91	91
Sales of certified organic products (dollars in billions)	4.0	4.8	5.8

<sup>1</sup> 40,000 (work funded by EPA).

<sup>2</sup> 83% (work funded by EPA).

**Wholesale market development.**—This program is designed to enhance the marketing of agricultural commodities in the United States by conducting research into more efficient marketing methods for agricultural commodities and by providing technical assistance to urban areas interested in improving their food distribution facilities.

**Transportation Services.**—The activities are designed to ensure that the Nation's transportation systems will adequately serve the needs of agriculture and rural areas of the United States.

**WHOLESALE MARKET DEVELOPMENT ACTIVITIES**

	1997 actual	1998 est.	1999 est.
Weighted average of customer survey results for various market projects and information products .....	100	100	105
Market studies initiated .....	10	9	9
Studies and projects completed .....	8	10	10

**TRANSPORTATION SERVICES ACTIVITIES**

	1997 actual	1998 est.	1999 est.
Weighted average of customer survey results for various market projects and information products .....	100	100	105
Number of reports produced .....	6	8	8
Number of workshops sponsored .....	4	2	2

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

Identification code 12-2500-0-1-352	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	19	20	23
11.3 Other than full-time permanent .....	1	1	1
11.9 Total personnel compensation .....	20	21	24
12.1 Civilian personnel benefits .....	4	5	5
21.0 Travel and transportation of persons .....	1	1	1
23.2 Rental payments to others .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	2	3	3
25.2 Other services .....	4	10	18
25.3 Purchases of goods and services from Government accounts .....	2	2	2
25.7 Operation and maintenance of equipment .....	1	1	1
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	2	2	2
99.0 Subtotal, direct obligations .....	38	47	58
99.0 Reimbursable obligations .....	56	63	64
99.9 Total obligations .....	94	110	122

**Personnel Summary**

Identification code 12-2500-0-1-352	1997 actual	1998 est.	1999 est.
<b>Direct:</b>			
1001 Total compensable workyears: Full-time equivalent employment .....	479	488	514
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent employment .....	736	771	729

**General and special funds—Continued**

**PAYMENTS TO STATES AND POSSESSIONS**

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), \$1,200,000. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-2501-0-1-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations (object class 41.0)	1	1	1
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	1	1	1
23.95 New obligations	-1	-1	-1
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation	1	1	1
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	1	1	1
73.10 New obligations	1	1	1
73.20 Total outlays (gross)	-1	-1	-1
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	1	1	1
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	1	1	1
90.00 Outlays	1	1	1

Grants are made on a matching fund basis to State departments of agriculture to carry out specifically approved programs designed to enhance marketing efficiency. Under this activity, specialists work with farmers, marketing firms, and other agencies in solving marketing problems and in using research results.

**PERISHABLE AGRICULTURAL COMMODITIES ACT FUND**

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

Identification code 12-5070-0-2-352	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year			
Receipts:			
02.01 Deposits of Perishable Agricultural Commodities Act fees	9	9	7
Appropriation:			
05.01 Perishable Agricultural Commodities Act fund	-9	-9	-7
07.99 Total balance, end of year			

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

Identification code 12-5070-0-2-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations	8	7	8
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested	5	6	8
22.00 New budget authority (gross)	9	9	7
23.90 Total budgetary resources available for obligation	14	15	15
23.95 New obligations	-8	-7	-8
24.40 Unobligated balance available, end of year:			
Uninvested	6	8	7
<b>New budget authority (gross), detail:</b>			
60.25 Appropriation (special fund, indefinite)	9	9	7

<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	4		
73.10 New obligations	8	7	8
73.20 Total outlays (gross)	-10	-7	-8
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority	9	7	7
86.98 Outlays from permanent balances	1		1
87.00 Total outlays (gross)	10	7	8
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	9	9	7
90.00 Outlays	10	7	8

License fees are deposited in this special fund and are used to meet the costs of administering the Perishable Agricultural Commodities and the Produce Agency Acts (7 U.S.C. 491-497, 499a-499s).

The Acts are intended to ensure equitable treatment to farmers and others in the marketing of fresh and frozen fruits and vegetables. Commission merchants, dealers, and brokers handling these products in interstate and foreign commerce are licensed. Complaints of violations are investigated and violations dealt with by (a) informal agreements between the two parties, (b) formal decisions involving payment of reparation awards, and/or (c) suspension or revocation of license and/or publication of the facts. Beginning October 1, 1994, an additional fee was instituted for the filing of formal and informal complaints of violations of the Act. The November 1995 amendments to the Perishable Agricultural Commodities Act: (1) increase the license fee and phase out fees for wholesale grocers and retailers by 1999; (2) provide permanent authority to the Secretary of Agriculture to set license and reparation complaint filing fees; and repeal the 25 percent maximum funding reserve cap.

A 1984 amendment to the Perishable Agricultural Commodities Act requires traders to have trust assets on hand to meet their obligations to fruit and vegetable suppliers. To preserve their trust and establish their rights ahead of other creditors, unpaid suppliers file notice with both the Department and their debtors that payment is due.

**PERISHABLE AGRICULTURAL COMMODITIES ACT ACTIVITIES**

	1997 actual	1998 est.	1999 est.
Percentage of informal reparation complaints completed within time frame goal	85	85	85

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

Identification code 12-5070-0-2-352	1997 actual	1998 est.	1999 est.
11.1 Personnel compensation: Full-time permanent	4	4	4
12.1 Civilian personnel benefits	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.3 Purchases of goods and services from Government accounts	2	1	2
99.9 Total obligations	8	7	8

**Personnel Summary**

Identification code 12-5070-0-2-352	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment	97	97	97

**FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY  
(SECTION 32)**

**(INCLUDING TRANSFERS OF FUNDS)**

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by



the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than **[\$10,690,000]** \$10,998,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, and the Agricultural Act of 1961. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-5209-0-2-605	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year .....	576	395	174
Receipts:			
02.01 30% of customs duties, funds for strengthening markets, income and supply (section 32) .....	5,742	5,509	5,674
04.00 Total: Balances and collections .....	6,318	5,904	5,848
Appropriation:			
05.01 Funds for strengthening markets, income, and supply (section 32) .....	-5,923	-5,730	-5,848
07.99 Total balance, end of year .....	395	174	

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

Identification code 12-5209-0-2-605	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
Direct program:			
Commodity program payments:			
00.01 Child nutrition program purchases .....	400	400	400
00.02 Emergency surplus removal .....	101	63	
00.03 Disaster relief .....	2		
00.04 Diversion payments .....	9		
00.91 Subtotal, Commodity program payments .....	512	463	400
01.01 Administrative expenses .....	16	17	17
01.92 Total direct program .....	528	480	417
09.11 Reimbursable program .....	1	1	1
10.00 Total obligations .....	529	481	418
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	300	234	267
22.00 New budget authority (gross) .....	424	514	451
22.10 Resources available from recoveries of prior year obligations .....	39		
23.90 Total budgetary resources available for obligation .....	763	748	718
23.95 New obligations .....	-529	-481	-418
24.40 Unobligated balance available, end of year:			
Uninvested .....	234	267	300
<b>New budget authority (gross), detail:</b>			
60.25 Appropriation (special fund, indefinite) .....	5,923	5,730	5,848
61.00 Transferred to other accounts .....	-5,500	-5,217	-5,398
63.00 Appropriation (total) .....	423	513	450
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1	1	1
70.00 Total new budget authority (gross) .....	424	514	451
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	63	3	3
73.10 New obligations .....	529	481	418
73.20 Total outlays (gross) .....	-550	-480	-417
73.45 Adjustments in unexpired accounts .....	-39		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	3	3	3
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	187	243	180
86.98 Outlays from permanent balances .....	363	237	237
87.00 Total outlays (gross) .....	550	480	417
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-1	-1	-1

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	423	513	450
90.00 Outlays .....	550	479	416

Under section 32 of the act of August 24, 1935, as amended (7 U.S.C. 612c), an amount equal to 30 percent of customs receipts collected during each calendar year is automatically appropriated for expanding outlets for nonbasic commodities. An amount equal to 30 percent of receipts collected on fishery products is transferred to the Department of Commerce. Most of the funds are transferred to the Food and Consumer Service and are used to purchase commodities under section 6 of the National School Lunch Act and other authorities specified in the child nutrition appropriation. If unforeseen commodity surpluses should develop, unobligated reserve balances are available for surplus removal.

**WORKLOAD INDICATORS**

	1997 actual	1998 est.	1999 est.
Administrative costs in constant dollars as a percentage of commodity purchases .....	1.1	1.1	1.1

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

Identification code 12-5209-0-2-605	1997 actual	1998 est.	1999 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	8	9	9
12.1 Civilian personnel benefits .....	2	2	2
22.0 Transportation of things: Commodities .....	4	4	4
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	2	2	2
25.3 Purchases of goods and services from Government accounts .....	3	3	3
25.7 Operation and maintenance of equipment .....	1	1	1
26.0 Supplies and materials: Grants of commodities to States .....	506	457	394
31.0 Equipment .....	1	1	1
99.0 Subtotal, direct obligations .....	528	480	417
99.0 Reimbursable obligations .....	1	1	1
99.9 Total obligations .....	529	481	418

**Personnel Summary**

Identification code 12-5209-0-2-605	1997 actual	1998 est.	1999 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment .....	173	173	173
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment .....	13	13	13

**Trust Funds**

**MISCELLANEOUS TRUST FUNDS**

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

Identification code 12-9972-0-7-352	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year .....			
Receipts:			
02.01 Deposits of fees from inspection and grading of farm products .....	103	106	106
Appropriation:			
05.01 Miscellaneous trust funds .....	-103	-106	-106
07.99 Total balance, end of year .....			

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

Identification code 12-9972-0-7-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Dairy products .....	5	5	5
00.02 Fruits and vegetables .....	49	49	49

MISCELLANEOUS TRUST FUNDS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-9972-0-7-352	1997 actual	1998 est.	1999 est.
00.03 Meat grading .....	20	21	21
00.04 Poultry products .....	22	24	24
00.05 Miscellaneous agricultural commodities .....	8	7	7
10.00 Total obligations .....	104	106	106
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	32	31	31
22.00 New budget authority (gross) .....	103	106	106
23.90 Total budgetary resources available for obligation	135	137	137
23.95 New obligations .....	-104	-106	-106
24.40 Unobligated balance available, end of year:			
Uninvested .....	31	31	31
<b>New budget authority (gross), detail:</b>			
60.27 Appropriation (trust fund, indefinite) .....	103	106	106
<b>Change in unpaid obligations:</b>			
74.22 Unpaid obligations, start of year: Obligated balance:			
U.S. Securities: Unrealized discounts .....	-13	-19	-19
73.10 New obligations .....	104	106	106
73.20 Total outlays (gross) .....	-109	-106	-106
74.42 Unpaid obligations, end of year: Obligated balance:			
U.S. Securities: Unrealized discounts .....	-19	-19	-19
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	90	94	94
86.98 Outlays from permanent balances .....	19	12	12
87.00 Total outlays (gross) .....	109	106	106
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	103	106	106
90.00 Outlays .....	109	106	106

*Expenses and refunds, inspection and grading of farm products.*—The commodity grading programs provide grading, examination, and certification services for a wide variety of fresh and processed food commodities using federally approved grade standards and purchase specifications. Commodities graded include poultry, livestock, meat, dairy products, and fresh and processed fruits and vegetables. These programs use official grade standards which reflect the relative quality of a particular food commodity based on laboratory testing and characteristics such as taste, color, weight, and physical condition. Producers voluntarily request grading and certification services which are provided on a fee for service basis.

WORKLOAD INDICATORS

	1997 actual	1998 est.	1999 est.
Weighted average cost per cwt. (1990 index) .....	\$0.07	\$0.07	\$0.07

Balance Sheet (in millions of dollars)

Identification code 12-9972-0-7-352	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	13	7	7	7
Investments in US securities:				
1106 Receivables, net .....	3	1	1	1
Non-Federal assets:				
1201 Investments in non-Federal securities, net .....	29	34	34	34
1206 Receivables, net .....	8	11	11	11
1803 Other Federal assets: Property, plant and equipment, net .....	1	2	2	2
1999 Total assets .....	54	55	55	55
<b>LIABILITIES:</b>				
2101 Federal liabilities: Accounts payable .....	2		2	2
2207 Non-Federal liabilities: Unearned revenue (advances): Deposit funds .....	11	12	12	12

2999 Total liabilities .....	13	12	14	14
<b>NET POSITION:</b>				
3600 Other .....	41	43	43	43
3999 Total net position .....	41	43	43	43
4999 Total liabilities and net position .....	54	55	57	57

Object Classification (in millions of dollars)

Identification code 12-9972-0-7-352	1997 actual	1998 est.	1999 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	53	54	54
11.3 Other than full-time permanent .....	4	5	5
11.5 Other personnel compensation .....	8	8	8
11.9 Total personnel compensation .....	65	67	67
12.1 Civilian personnel benefits .....	16	17	17
13.0 Benefits for former personnel .....	1	1	1
21.0 Travel and transportation of persons .....	6	6	6
23.1 Rental payments to GSA .....	1	1	1
23.2 Rental payments to others .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges	4	2	2
25.2 Other services .....	5	6	6
25.3 Purchases of goods and services from Government accounts .....	3	3	3
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1	1	1
99.9 Total obligations .....	104	106	106

Personnel Summary

Identification code 12-9972-0-7-352	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	1,564	1,522	1,538

MILK MARKET ORDERS ASSESSMENT FUND

Program and Financing (in millions of dollars)

Identification code 12-8412-0-8-351	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
09.01 Administration .....	31	33	35
09.02 Marketing service .....	5	6	6
10.00 Total obligations .....	36	39	41
<b>Budgetary resources available for obligation:</b>			
Unobligated balance available, start of year:			
21.40 Uninvested .....	21	20	20
21.41 U.S. Securities: Par value .....	7	7	7
21.99 Total unobligated balance, start of year .....	28	27	27
22.00 New budget authority (gross) .....	36	39	41
23.90 Total budgetary resources available for obligation	64	66	68
23.95 New obligations .....	-36	-39	-41
Unobligated balance available, end of year:			
24.40 Uninvested .....	20	20	20
24.41 U.S. Securities: Par value .....	7	7	7
24.99 Total unobligated balance, end of year .....	27	27	27
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....	36	39	41
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....	36	39	41
73.20 Total outlays (gross) .....	-36	-39	-41
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	35	38	40
86.98 Outlays from permanent balances .....	1	1	1
87.00 Total outlays (gross) .....	36	39	41

<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources .....	-36	-39	-41
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	-1		

Note.—The administration fund totals are comprised of 32 separate independent order accounts in 1997. The Marketing Service fund totals are comprised of 36 separate independent order accounts in 1997.

The Secretary of Agriculture is authorized by the Agricultural Marketing Agreement Act of 1937, as amended—under certain conditions—to issue Federal milk marketing orders establishing minimum prices which handlers are required to pay for milk purchased from producers.

Market administrators are appointed by the Secretary and are responsible for carrying out the terms of specific marketing orders. Their operating expenses, partly financed by assessments on regulated handlers and partly by deductions from producers, are reported in these schedules. These funds are collected locally, deposited in local banks, and disbursed directly by the market administrator.

Expenses of local offices are met from an administrative fund and a marketing service fund, which are prescribed in each order. The administrative fund is derived from prorated handler assessments. The marketing service fund of the individual order disseminates market information to producers who are not members of a qualified cooperative. It also provides for the verification of the weights, sampling, and testing of milk from these producers. The cost of these services is borne by such producers.

The maximum rates for administrative assessment and for marketing services are set forth in each order and adjustments below these rates are made from time to time upon recommendations by the market administrator and upon approval of the Agricultural Marketing Service to provide reserves at about a 6-month operating level. Upon termination of any order, the statute provides for distributing the proceeds from net assets pro rata to contributing handlers or producers, as the case may be.

**WORKLOAD INDICATORS**

	1997 actual	1998 est.	1999 est.
Percentage of formal and informal rulemaking completed within internal timeframes .....	94	85	85

**Statement of Operations (in millions of dollars)**

Identification code 12-8412-0-8-351	1996 actual	1997 actual	1998 est.	1999 est.
<b>ADMINISTRATION:</b>				
0111 Revenue .....	29	31	33	35
0112 Expense .....	-32	-31	-33	-35
0119 Net loss, Administration .....	-3			
<b>MARKETING SERVICE:</b>				
0121 Revenue .....	7	7	5	6
0122 Expense .....	-5	-5	-5	-6
0129 Net income, Marketing service .....	2	2		
0191 Total revenues .....	36	38	39	41
0192 Total expenses .....	-37	-36	-39	-41
0199 Net income .....	-1	2		

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

Identification code 12-8412-0-8-351	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
Investments in US securities:				
1102 Federal assets: Treasury securities, par .....	6	7	7	7
1206 Non-Federal assets: Receivables, net .....	3	3	3	3
Other Federal assets:				
1801 Cash and other monetary assets .....	17	18	18	18
1803 Property, plant and equipment, net .....	4	4	4	4

1999	Total assets .....	30	32	32	32
<b>LIABILITIES:</b>					
2201	Non-Federal liabilities: Accounts payable .....	1	1	1	1
2999	Total liabilities .....	1	1	1	1
<b>NET POSITION:</b>					
3200	Invested capital .....	29	31	31	31
3999	Total net position .....	29	31	31	31
4999	Total liabilities and net position .....	30	32	32	32

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

Identification code 12-8412-0-8-351	1997 actual	1998 est.	1999 est.
11.1 Personnel compensation: Full-time permanent .....	23	25	26
12.1 Civilian personnel benefits .....	5	5	5
21.0 Travel and transportation of persons .....	2	2	3
23.2 Rental payments to others .....	2	3	3
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	1	1	1
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1	1	1
99.9 Total obligations .....	36	39	41

**Personnel Summary**

Identification code 12-8412-0-8-351	1997 actual	1998 est.	1999 est.
2001 Total compensable workyears: Full-time equivalent employment .....	461	460	460

**RISK MANAGEMENT AGENCY**

**Federal Funds**

**General and special funds:**

**ADMINISTRATIVE AND OPERATING EXPENSES**

For administrative and operating expenses, as authorized by the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 6933), [ \$64,000,000 ] \$66,000,000. Provided, That not to exceed \$700 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i). [In addition, notwithstanding the provisions of section 516(a)(1)(B) of the Federal Crop Insurance Act (7 U.S.C. 1516(a)(1)(B)), for discretionary expenses, \$188,571,000 for the payment of administrative and operating expenses of approved insurance providers.] (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)

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

Identification code 12-2707-0-1-351	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Salaries and expenses .....	62	64	66
00.02 Administrative expense reimbursements .....		188	
10.00 Total obligations .....	62	252	66
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	64	252	66
23.95 New obligations .....	-62	-252	-66
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	64	252	66
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested .....	6	15	40
73.10 New obligations .....	62	252	66
73.20 Total outlays (gross) .....	-53	-227	-84
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested .....	15	40	22
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	53	227	59
86.93 Outlays from current balances .....			25
87.00 Total outlays (gross) .....	53	227	84

**General and special funds—Continued**

**ADMINISTRATIVE AND OPERATING EXPENSES—Continued**

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

Identification code 12-2707-0-1-351	1997 actual	1998 est.	1999 est.
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	64	252	66
90.00 Outlays .....	53	227	84

This appropriation finances the administrative and operating expenses of the Risk Management Agency (RMA), which provides crop insurance to farmers.

The Federal government reimburses private insurance companies for certain administrative expenses incurred while delivering the crop insurance program. The 1998 budget provided discretionary funding for the reimbursement of agents' sales commissions in accordance with the Federal Crop Insurance Reform Act of 1994. In order to ensure that sufficient funding is available to provide agent sales commissions, the budget proposes to shift funding for this activity from discretionary spending to mandatory spending through the Federal Crop Insurance Corporation Fund.

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

Identification code 12-2707-0-1-351	1997 actual	1998 est.	1999 est.
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	25	28	30
11.3 Other than full-time permanent .....	1	1	1
11.9 Total personnel compensation .....	26	29	31
12.1 Civilian personnel benefits .....	5	6	7
21.0 Travel and transportation of persons .....	2	1	1
23.2 Rental payments to others .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	2	1	1
25.2 Other services .....	24	210	21
26.0 Supplies and materials .....		1	1
31.0 Equipment .....	2	3	3
99.9 Total obligations .....	62	252	66

**Personnel Summary**

Identification code 12-2707-0-1-351	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	526	550	550

**CORPORATIONS**

The following corporations and agencies are hereby authorized to make expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

**Public enterprise funds:**

**FEDERAL CROP INSURANCE CORPORATION FUND**

For payments as authorized by section 516 of the Federal Crop Insurance Act such sums as may be necessary, to remain available until expended (7 U.S.C. 2209b). (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-4085-0-3-351	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.02 Delivery and other expenses .....	453	286	286
01.01 Indemnities .....	1,072	2,112	2,090
01.02 Dairy Options Pilot Program .....		10	10
10.00 Total obligations .....	1,525	2,408	2,386
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	971	1,855	1,003
22.00 New budget authority (gross) .....	2,287	1,546	2,376
22.10 Resources available from recoveries of prior year obligations .....	122		
22.22 Unobligated balance transferred from other accounts .....		10	10
23.90 Total budgetary resources available for obligation .....	3,380	3,411	3,389
23.95 New obligations .....	-1,525	-2,408	-2,386
24.40 Unobligated balance available, end of year:			
Uninvested .....	1,855	1,003	1,003
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	1,785	700	1,504
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	502	846	872
70.00 Total new budget authority (gross) .....	2,287	1,546	2,376
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	936	864	1,256
73.10 New obligations .....	1,525	2,408	2,386
73.20 Total outlays (gross) .....	-1,474	-2,016	-2,424
73.45 Adjustments in unexpired accounts .....	-122		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	864	1,256	1,218
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	839	421	389
86.93 Outlays from current balances .....	101	143	308
86.97 Outlays from new permanent authority .....	402	592	610
86.98 Outlays from permanent balances .....	132	860	1,117
87.00 Total outlays (gross) .....	1,474	2,016	2,424
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-502	-846	-872
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1,785	700	1,504
90.00 Outlays .....	972	1,170	1,552

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	1997 actual	1998 est.	1999 est.
<b>Enacted/requested:</b>			
Budget Authority .....	1,785	700	1,504
Outlays .....	972	1,170	1,552
<b>Legislative proposal, subject to PAYGO:</b>			
Budget Authority .....			205
Outlays .....			185
<b>Total:</b>			
Budget Authority .....	1,785	700	1,709
Outlays .....	972	1,170	1,737

The Federal Crop Insurance Corporation (FCIC), a wholly-owned government corporation, provides multi-peril and catastrophic crop insurance protection against losses from unavoidable natural events. The Federal Crop Insurance Reform Act of 1994 and the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act) brought many changes to the program. With the reduced price support activities promulgated by the 1996 Act, the crop insurance program has become a more broad based safety net and includes programs involving revenue insurance, risk management savings ac-

counts, and the use of the futures market to manage risk and eliminate the need for ad hoc disaster assistance.

Under the 1996 Act, farmers are no longer required to obtain Catastrophic Crop insurance (CAT), as previously mandated by the Federal Crop Insurance Reform Act of 1994. Producers can instead agree in writing to waive eligibility for emergency crop loss assistance in connection with the crop. For producers who continue to obtain CAT, which compensates the farmer for losses up to 50 percent of the individual's average yield at 60 percent (55 percent for the 1999 crop year) of the expected market price, premium is entirely subsidized. The cost to the producer for this type of coverage is an annual processing fee of \$50 per crop per county up to \$200 per county, not to exceed \$600 for all counties. Local Farm Service Agency (FSA) offices and commercial insurance companies delivered this product to the producer for the 1995 and 1996 crop years. For the 1997 crop year, FSA delivery was discontinued in 14 states, and for the 1998 crop year, FSA delivery will be discontinued for all remaining states because the private sector delivery was determined to be sufficient.

Additional coverage is available to producers who wish to insure crops above the 50 percent coverage level/60 percent price level. Policyholders can elect to be paid up to 100 percent of the market price established by FCIC for each unit of production their actual yield is less than the individual yield guarantee. Premium rates for additional coverage depend on the level of protection selected and vary from crop to crop and county to county. Producers are assessed a fee of \$10 per crop (may be \$50 in some cases), in addition to a share of premium. The additional levels of insurance coverage are more attractive to farmers due to availability of optional units, other policy provisions not available with CAT coverage, and the ability to obtain a level of protection that permits them to use crops as loan collateral and to achieve greater financial security.

As mandated by the 1996 Act, three revenue insurance programs are available under which producers of wheat, certain feedgrains, soybeans, and cotton are protected against loss of revenue stemming from low prices, poor yields, or a combination of both. Two plans were privately developed and submitted to FCIC: Crop Revenue Coverage (CRC) and Revenue Assurance (RA). The third plan is the Income Protection (IP) plan developed by FCIC. These three plans have many similar features and some very distinctive features. All provide a guaranteed revenue by combining yield and price variability. Indemnities are due when any combination of yield and price result in revenue that is less than the revenue guarantee. Revenue protection for all products is provided by extending traditional multi peril crop insurance protection, based on actual production history, to include price variability. The price component common to CRC, RA, and IP uses the commodity futures market for price discovery. These programs all seek to help ensure a certain level of annual income and are offered through private insurance companies.

Progress in other program areas includes the Risk Management Education program which provides education in management of the financial risks inherent in the production and marketing of agricultural commodities, the Options Pilot Program to ascertain whether trading in the futures and options markets can be used by producers to reduce the risks of market price fluctuation, and Quality Adjustment Provisions. RMA also continues to improve and update the terms and conditions of all crop insurance policies, which better clarifies and defines the insurance protection provided by the insurance policies and the duties and responsibilities of the policyholder and insurance provider.

In crop year 1997, 180.4 million acres was insured, with an estimated \$1,760.9 million in total premium income, including \$893.1 million in premium subsidy.

The Corporation's budget is presented in accordance with generally accepted accounting principles, the Financial Accounting Standards Board (FASB) Statement No. 60, "Accounting and Reporting by Insurance Enterprises," and Statement No. 5, "Accounting for Contingencies."

The following table compares the scope of the insurance operations planned for 1999. Amounts in the 1997 column are as of September 30, 1997, and pertain to the 1997 crop year.

	1997 crop year actual	1998 crop year estimate	1999 crop year estimate
Number of States .....	50	50	50
Number of counties .....	3,022	3,022	3,022
Insurance in force (millions) .....	24,308	25,194	24,500
Insured acreage (millions) .....	181	186	185
Producer premium (millions) <sup>1</sup> .....	902	996	1,011
Premium subsidy (millions) <sup>1</sup> .....	878	946	934
Total premium (millions) <sup>1</sup> .....	1,780	1,942	1,945
Indemnities (million) <sup>1</sup> .....	1,357	2,136	2,090
Loss ratio .....	.76	1.10	1.075

<sup>1</sup> Includes amounts that will appear on the books of the reinsured companies. The Corporation records will only reflect the net reinsurance income and net reinsurance loss.

**Financing.**—The Corporation is authorized under the Federal Crop Insurance Act, as amended, to use funds from the issuance of capital stock which provides working capital for the Corporation.

Receipts, which are for deposit to this fund, come mainly from premiums paid by farmers. The principal payments from this fund are for indemnities to insured farmers, and administrative expenses for approved insurance providers.

Premium subsidies are authorized by section 508(b) of the Federal Crop Insurance Act, as amended, and are received through appropriations.

#### PREMIUM AND SUBSIDY

(In millions of dollars)

	1997 fiscal year actual	1998 fiscal year estimate	1999 fiscal year estimate
Premiums:			
Producer premium .....	877	982	1,009
Amount of subsidies .....	923	936	936
Additional coverage .....	765	914	936
Catastrophic coverage .....	158	22	0
Total premiums .....	1,800	1,918	1,945
Indemnities .....	1,072	2,112	2,090
Additional coverage .....	1,126	2,089	2,090
Catastrophic coverage .....	-54	23	0

For crop years 1948 through 1996, indemnities (\$15,807.4 million) exceeded premium income (\$12,758.0 million) by \$3,049.4 million; the loss ratio for the period was 1.24.

The following table summarizes the insurance operations for fiscal years 1997, 1998 and 1999:

#### NET INCOME OR LOSS (-) ON INSURANCE OPERATIONS

(In millions of dollars)

	1997 fiscal year actual	1998 fiscal year estimate	1999 fiscal year estimate
Premiums over indemnities .....	-195	-1,130	-1,082
Interest expense, net .....	0	0	0
Delivery expenses <sup>1</sup> .....	-485	-275	-480
Other income or expense, net (-) .....	-1	0	0
Reinsurance underwriting gain (+) or loss (-) .....	-340	-136	-136
Research and Development start up expense .....	-2	-11	-11
Net income or loss (-) .....	-1,023	-1,552	-1,504

<sup>1</sup> Figures reflect delivery expenses borne by the Fund. In 1998, an additional \$188 million in delivery expenses was appropriated, for total expenses of \$463 million. For 1999, all expenses are proposed to be paid by the Fund.

**Public enterprise funds—Continued**

**FEDERAL CROP INSURANCE CORPORATION FUND—Continued**

**Statement of Operations** (in millions of dollars)

Identification code 12-4085-0-3-351	1996 actual	1997 actual	1998 est.	1999 est.
0101 Revenue .....	641	502	846	872
0102 Expense .....	-2,326	-1,525	-2,408	-2,376
0109 Net income or loss (-) .....	-1,685	-1,023	-1,562	-1,504
0199 Net income or loss .....	-1,685	-1,023	-1,562	-1,504

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

Identification code 12-4085-0-3-351	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	2,114	2,815	1,875	1,875
1206 Non-Federal assets: Receivables, net .....	735	740	700	700
1803 Other Federal assets: Property, plant and equipment, net .....	1	2	2	2
1999 Total assets .....	2,850	3,557	2,577	2,577
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable .....	1			
2105 Other .....	186	222	150	150
Non-Federal liabilities:				
2201 Accounts payable .....	220	188	200	200
2207 Other .....	1,632	1,485	1,262	1,262
2999 Total liabilities .....	2,039	1,895	1,612	1,612
<b>NET POSITION:</b>				
3100 Appropriated capital .....	2	1,120	10	10
3200 Invested capital .....	1	1	2	2
3300 Cumulative results of operations .....	-3,682	-3,949	-3,537	-3,537
3500 Future funding requirements .....	-6	-6	-7	-7
3600 Other .....	4,496	4,496	4,496	4,496
3999 Total net position .....	811	1,662	964	964
4999 Total liabilities and net position .....	2,850	3,557	2,576	2,576

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

Identification code 12-4085-0-3-351	1997 actual	1998 est.	1999 est.
25.2 Other services .....	453	296	296
Insurance claims and indemnities:			
42.0 Insurance claims and indemnities (catastrophic) .....	-54	23	
42.0 Insurance claims and indemnities (reinsured) .....	1,126	2,089	2,090
99.9 Total obligations .....	1,525	2,408	2,386

**FEDERAL CROP INSURANCE CORPORATION FUND**

**(Legislative proposal, subject to PAYGO)**

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

Identification code 12-4085-4-3-351	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.02 Delivery expenses .....			205
10.00 Total obligations .....			205
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			205
23.95 New obligations .....			-205
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....			205
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....			205
73.20 Total outlays (gross) .....			-185
74.40 Unpaid obligations, end of year: Obligated balance: Appropriation .....			20
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....			185

**Net budget authority and outlays:**

89.00 Budget authority .....			205
90.00 Outlays .....			185

This schedule reflects a key part of the Administration's proposal to reinforce the farm income "safety net." Legislation to amend the Federal Crop Insurance (FCIC) Act would allow the shift of funding for administrative expense reimbursement from discretionary spending to the mandatory Federal Crop Insurance Fund. As a partial PAYGO offset for the increase in mandatory spending due to this shift, the Administration is developing a combination of program changes that would take effect beginning in 2000. Changes being considered include: placing a \$100,000 limit on the indemnity producers can receive from the premium-free catastrophic insurance policy; reducing the reimbursement rate paid to the private insurance companies from the current 27 percent of premium to 25 percent of premium; slightly reducing the subsidy the Federal government pays for insurance on changes from the expected market price; and lowering the loss ratio that premiums are based on to 1.060 from the current 1.075 loss ratio. Other USDA program changes will be used to meet the rest of the PAYGO offset requirement.

**FARM SERVICE AGENCY**

**SALARIES AND EXPENSES**

**(INCLUDING TRANSFERS OF FUNDS)**

For necessary expenses for carrying out the administration and implementation of programs administered by the Farm Service Agency, **[\$700,659,000]** \$723,478,000, of which not less than \$30,000,000 is for purchases of equipment or studies related to the Service Center Initiative Common Computing Environment. Provided, That the Secretary is authorized to use the services, facilities, and authorities (but not the funds) of the Commodity Credit Corporation to make program payments for all programs administered by the Agency: *Provided further*, That other funds made available to the Agency for authorized activities may be advanced to and merged with this account: *Provided further*, That these funds shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$1,000,000 shall be available for employment under 5 U.S.C. 3109. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-0600-0-1-351	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Farm Programs .....	578	510	533
00.02 Conservation and Environment .....	153	174	175
00.03 Commodity Operations .....	16	17	15
00.91 Subtotal, direct program .....	747	701	723
Reimbursable program:			
09.01 Farm Loans .....	208	210	228
09.02 Other reimbursable program .....	84	80	76
09.09 Subtotal, reimbursable program .....	292	290	304
10.00 Total obligations .....	1,039	991	1,027
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	1,039	991	1,027
22.10 Resources available from recoveries of prior year obligations .....	20		
22.21 Unobligated balance transferred to other accounts .....	-20		
23.90 Total budgetary resources available for obligation .....	1,039	991	1,027
23.95 New obligations .....	-1,039	-991	-1,027
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	747	701	723

Permanent:				
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	292	290	304
70.00	Total new budget authority (gross) .....	1,039	991	1,027
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance: Uninvested .....	161	127	227
73.10	New obligations .....	1,039	991	1,027
73.20	Total outlays (gross) .....	-1,048	-891	-1,023
73.40	Adjustments in expired accounts .....	-5		
73.45	Adjustments in unexpired accounts .....	-20		
74.40	Unpaid obligations, end of year: Obligated balance: Uninvested .....	127	227	231
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new current authority .....	640	601	619
86.93	Outlays from current balances .....	116		100
86.97	Outlays from new permanent authority .....	292	290	304
87.00	Total outlays (gross) .....	1,048	891	1,023
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-273	-272	-287
88.40	Non-Federal sources .....	-19	-18	-17
88.90	Total, offsetting collections (cash) .....	-292	-290	-304
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	747	701	723
90.00	Outlays .....	756	601	719

**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	1997 actual	1998 est.	1999 est.
Budget Authority .....	747	701	723
Outlays .....	756	601	719
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			
Outlays .....			
<b>Total:</b>			
Budget Authority .....	747	701	723
Outlays .....	756	601	719

The Farm Service Agency (FSA) was established October 3, 1994, pursuant to the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, P.L. 103-354. The Department of Agriculture Reorganization Act of 1994 was amended on April 4, 1996, by the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act), P.L. 104-127. The FSA administers a variety of activities, such as farm income support programs through various loans and payments; the Conservation Reserve Program (CRP); the Emergency Conservation Program; the Hazardous Waste Management Program; the Commodity Operation Programs including the warehouse examination function; farm ownership, farm operating, emergency disaster, and other loan programs; price support and production control programs for tobacco and peanuts; and the Noninsured Crop Disaster Assistance Program (NAP), which provides crop loss protection for growers of many crops for which crop insurance is not available. The Agency also assists in the administration of several conservation cost-share programs financed by the Commodity Credit Corporation (CCC), including the Environmental Quality Incentives Program (EQIP). In addition, FSA provides certain administrative support services to the Foreign Agricultural Service (FAS) and to the Risk Management Agency (RMA).

This consolidated administrative expenses account includes funds to cover expenses of programs administered by, and functions assigned to, the Agency. The funds consist of a direct appropriation, transfers from program loan accounts under credit reform procedures, user fees, and advances and reimbursements from other sources. This is a consolidated

account for administrative expenses of national, regional, State, and county offices.

**Farm Programs.**—These programs provide an economic safety net through farm income support to eligible producers, cooperatives, and associations to help improve the economic stability and viability of the agricultural sector and to ensure the production of an adequate and reasonably priced supply of food and fiber. Objectives of the Agency include maintaining a high Agricultural Market Transition Act (AMTA) participation rate for eligible acreage, providing marketing assistance loans and loan deficiency payments enabling recipients to continue farming operations without marketing their product immediately after harvest, stabilizing the price and production of tobacco and peanuts, and providing a financial assistance safety net to eligible producers when natural disasters result in a catastrophic loss of production or prevents planting of noninsured crops, and timely designating eligible Noninsured Crop Disaster Assistance Program (NAP) areas and approving crop prices, average yields, and payment factors.

Other draft performance measures being considered by FSA include increasing planting flexibility for AMTA, and other programs. FSA proposed legislation in 1997 to expand planting flexibility. Regarding AMTA participation, FSA can control and influence AMTA participation to a limited degree. One way is in reducing the numbers of required forms and trips to the office. Measuring the changes in these elements would serve both the direct effect—reducing paperwork and office visits—and the indirect effect of making participation in AMTA less burdensome.

Other performance measures being considered include excluding ineligible production from the receipt of loans when loan deficiency payments have been obtained, and encouraging the use of practices like electronic warehouse receipts that tend to reduce costs to the system. The performance measure for the peanut program must express the balance between maintaining the statutory goal of a no-net-cost program and avoiding adverse consumer impacts. In 1999, FSA will use newly published marketing and price data series to better set a quota reflecting domestic edible use. Other measures reflect policy goals of increasing the opportunities for new producers (especially beginning farmers) and non-quota holders to gain quotas as a performance measure. Likewise, other goals include increasing peanut exports and increased market orientation—including increased flexibility of quota use—as well as increased planting flexibility as a long-standing Administration goal for all farm programs.

Farm program activities include the following functions dealing with the administration of programs carried out through the farmer committee system of the FSA: (a) developing program regulations and procedures; (b) collecting and compiling basic data for individual farms; (c) establishing individual farm allotments for tobacco and peanuts and farm planting history; (d) notifying producers of established allotments and farm planting histories; (e) determining farm marketing quotas for tobacco and peanuts; (f) conducting referendums and certifying results; (g) accepting farmer certifications and checking compliance for specific purposes; (h) issuing marketing cards so that production from the allotted acreage can be marketed without penalty; (i) processing commodity loan documents and issuing checks; (j) processing production flexibility contract payments and issuing checks; and (k) certifying payment eligibility and monitoring payment limitations.

**Conservation and Environment.**—These programs assist agricultural producers and landowners in achieving a high level of stewardship of soil, water, air, and wildlife resources on America's farmland and ranches while protecting the human and natural environment. Objectives of the Agency include improving environmental quality, protecting natural re-

SALARIES AND EXPENSES—Continued  
(INCLUDING TRANSFERS OF FUNDS)—Continued

sources, and enhancing habitat for fish and wildlife, including threatened and endangered species, providing Emergency Conservation Program funding for farmers and ranchers to rehabilitate damaged farmland and for carrying out emergency conservation measures during periods of severe drought, and protecting the public health of communities through implementation of the Hazardous Waste Management Program. This activity includes: (a) processing producer requests for conservation cost-sharing and issuing conservation reserve rental payments; and (b) issuing checks for other conservation programs.

**Commodity Operations.**—This activity includes: (a) overall management of CCC-owned commodities; (b) purchasing commodities; (c) donating commodities; (d) selling commodities; (e) accounting for loans and commodities; and (f) commercial warehouse activities, which include improving the effectiveness and efficiency of FSA's commodity acquisition, procurement, storage, and distribution activities to support domestic and international food assistance programs and administering the U.S. Warehouse Act (USWA). The Agency provides for the examination of warehouses licensed under the U.S. Warehouse Act and non-licensed warehouses storing CCC-owned or pledged commodities. Examiners perform periodic examinations of the facilities and the warehouse records to ensure protection of depositors against potential losses of the stored commodities and to ensure compliance with the U.S. Warehouse Act and any CCC storage agreements.

**Farm Loans (Reimbursable).**—Provides for administering the direct and guaranteed loan programs covered under the Agricultural Credit Insurance Fund (ACIF). Activities include reviewing applications, servicing the loan portfolio, and providing technical assistance and guidance to borrowers. These administrative expenses are transferred to this consolidated account from the ACIF. Appropriations representing subsidy amounts necessary to support the individual program loan levels under Federal Credit Reform are made to the ACIF account.

**Other Reimbursable Activities.**—FSA collects a fee or is reimbursed for performing a variety of services for other Federal agencies, CCC, industry, and others, including certain administrative support services for the Risk Management Agency and the Foreign Agricultural Service, and for county office services provided to Federal and non-Federal entities, including a variety of services to producers.

**Administrative Convergence.**—The Department is coordinating the functions and personnel of the different field agencies to provide a more seamless and efficient delivery system. By 2002, the proposal would result in a 22 percent reduction in administrative staffing from 1997. Savings by 2002 would equal \$127 million/year. Progress in 1999 would be indicated by the creation of a Support Services Bureau reflecting a new entity made by consolidating the agencies' administrative units, both at the National level and in each State.

Object Classification (in millions of dollars)				
Identification code 12-0600-0-1-351	1997 actual	1998 est.	1999 est.	
Direct obligations:				
Personnel compensation:				
11.1 Full-time permanent .....	106	113	106	
11.3 Other than full-time permanent .....	8	8	8	
11.5 Other personnel compensation .....	3	2	2	
11.9 Total personnel compensation .....	117	123	116	
12.1 Civilian personnel benefits .....	25	26	25	
13.0 Benefits for former personnel .....	8	5	2	
21.0 Travel and transportation of persons .....	6	5	5	
22.0 Transportation of things .....	1	2	2	
23.2 Rental payments to others .....	10	10	10	
23.3 Communications, utilities, and miscellaneous charges .....	8	9	9	

24.0	Printing and reproduction .....	2	2	2
25.2	Other services .....	23	21	21
26.0	Supplies and materials .....	6	6	6
31.0	Equipment .....		2	2
41.0	Grants, subsidies, and contributions .....	540	488	521
42.0	Insurance claims and indemnities .....	1	2	2
99.0	Subtotal, direct obligations .....	747	701	723
99.0	Reimbursable obligations .....	292	290	304
99.9	Total obligations .....	1,039	991	1,027

Personnel Summary

Identification code 12-0600-0-1-351	1997 actual	1998 est.	1999 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment .....	2,364	2,401	1,945
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment .....	3,504	3,508	3,701

SALARIES AND EXPENSES

(Legislative proposal, not subject to PAYGO)

*Upon enactment of authorization of a fee for providing information obtained from information collections from persons participating in the programs administered by the Farm Service Agency, such fee shall be collected and credited to this account as an offsetting collection, to remain available until expended for authorized purposes.*

Program and Financing (in millions of dollars)

Identification code 12-0600-2-1-351	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
09.01 Non-program acreage report .....			10
10.00 Total obligations (object class 41.0) .....			10
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			10
23.95 New obligations .....			-10
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....			10
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....			10
73.20 Total outlays (gross) .....			-10
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....			10
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....			-10
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....			

In 1999, FSA proposes to begin to charge fees to cover the costs of collecting and processing information of interest to private individuals and companies, such as crop insurance companies, appraisers, agricultural consultants, other agencies, etc. Information products developed from these collections shall be priced at the full cost of processing and dissemination. An estimated \$10 million would be collected through fees from these businesses and other agencies, which would be available for salaries and expense obligations.

STATE MEDIATION GRANTS

For grants pursuant to section 502(b) of the Agricultural Credit Act of 1987 (7 U.S.C. 5101-5106), **[\$2,000,000] \$4,000,000.** (Agri-



*culture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)*

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

Identification code 12-0170-0-1-351	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations (object class 41.0)	2	2	4
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	2	2	4
23.95 New obligations	-2	-2	-4
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation	2	2	4
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested	2	1	1
73.10 New obligations	2	2	4
73.20 Total outlays (gross)	-2	-2	-3
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested	1	1	3
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority	2	1	2
86.93 Outlays from current balances	1	1	1
87.00 Total outlays (gross)	2	2	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	2	2	4
90.00 Outlays	3	2	3

This grant program is authorized by Title V of the Agricultural Credit Act of 1987, P.L. 100-233, as amended. Originally designed to address agricultural credit disputes, the program was expanded by the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (P.L. 103-354) to include other agricultural issues such as wetland determinations, conservation compliance, rural water loan programs, grazing on National Forest System lands, and pesticide use. Grants are made to States whose agricultural mediation programs have been certified by the Farm Service Agency. A grant will not exceed 70 percent of the total fiscal year funds that a qualifying State requires to operate and administer its agricultural loan mediation program. In no case will the total amount of a grant exceed \$500,000 annually.

**GRANT OBLIGATIONS**

	1997 actual	1998 est.	1999 est.
Number of grants	23	21	22
Amount of grants (in millions of dollars)	\$2	\$2	\$4

**TREE ASSISTANCE PROGRAM**

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

Identification code 12-2701-0-1-351	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations (object class 41.0)	6		
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)	9		
22.30 Unobligated balance expiring	-3		
23.90 Total budgetary resources available for obligation	6		
23.95 New obligations	-6		
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation	9		
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested		6	3

73.10 New obligations	6		
73.20 Total outlays (gross)		-3	-3
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested	6	3	

**Outlays (gross), detail:**

86.93 Outlays from current balances		3	3
87.00 Total outlays (gross)		3	3

**Net budget authority and outlays:**

89.00 Budget authority	9		
90.00 Outlays		3	3

Funding for the Tree Assistance Program (TAP) was provided by the 1997 Emergency Supplemental Appropriations Act, P.L. 105-18, enacted June 12, 1997. The \$9 million appropriation was made available for obligation through September 30, 1997, with any unobligated funding expiring.

TAP provides cost-share payments of up to 100 percent to orchard and vineyard growers who replant or rehabilitate orchard trees and vineyards lost to damaging weather, including freezes, excessive rainfalls, floods, droughts, tornadoes, and earthquakes in fiscal year 1997. Eligible owners may not receive more than \$25,000 per person.

During 1997, 24 States, Guam and the Northern Mariana Islands participated in the program, obligating a total of \$6 million.

**CONSERVATION RESERVE PROGRAM**

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

Identification code 12-3319-0-1-302	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Technical assistance	48	38	24
10.00 Total obligations (object class 25.2)	48	38	24
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year: Uninvested	111	86	48
22.10 Resources available from recoveries of prior year obligations	3		
22.22 Unobligated balance transferred from other accounts	20		
23.90 Total budgetary resources available for obligation	134	86	48
23.95 New obligations	-48	-38	-24
24.40 Unobligated balance available, end of year: Uninvested	86	48	24

**Change in unpaid obligations:**

72.40 Unpaid obligations, start of year: Obligated balance: Uninvested		25	
73.10 New obligations	48	38	24
73.20 Total outlays (gross)	-20	-63	-24
73.45 Adjustments in unexpired accounts	-3		
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested	25		

**Outlays (gross), detail:**

86.93 Outlays from current balances	20	63	24
87.00 Total outlays (gross)	20	63	24

**Net budget authority and outlays:**

89.00 Budget authority			
90.00 Outlays	20	63	24

The Conservation Reserve Program (CRP) was originally mandated by the Food Security Act of 1985. The Federal Agriculture Improvement and Reform Act of 1996 (the 1996 Act), enacted April 4, 1996, retains the CRP as part of the Environmental Conservation Acreage Reserve Program (ECARP) but changed the funding source from direct appropriation to the Commodity Credit Corporation. Only very minimal CCC funds were used for program operations in 1996

CONSERVATION RESERVE PROGRAM—Continued

since annual rental payments had been made very early in the fiscal year using CRP appropriated funds.

In fiscal year 1997, annual rental and cost-share payments for acres enrolled in the program were paid through the Commodity Credit Corporation. Remaining unobligated funds from the fiscal year 1996 appropriated account are currently used for CRP technical assistance. In providing technical assistance, the Natural Resources Conservation Service (NRCS) determines eligibility, develops conservation plans, and helps install approved practices. The Forest Service (FS) and cooperating State forestry agencies develop plans for tree planting and assist in carrying them out. The Cooperative State Research, Education, and Extension Service provides information and educational assistance to inform landowners and operators about the program. Local soil and water conservation districts approve conservation plans. To ensure maximum program benefits, USDA consults with land grant universities, State soil and water agencies, State fish and wildlife agencies, the U.S. Fish and Wildlife Services, and others. In fiscal year 1997, \$47.6 million was obligated for the technical assistance services of NRCS and FS and a payment of \$19.4 million in CRP appropriated funds was made to NRCS.

CRP program payments for fiscal years 1997, 1998, and 1999 are included under the Commodity Credit Corporation account.

AGRICULTURAL CONSERVATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3315-0-1-302	1997 actual	1998 est.	1999 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	2	23	23
22.10 Resources available from recoveries of prior year obligations .....	21		
23.90 Total budgetary resources available for obligation	23	23	23
24.40 Unobligated balance available, end of year:			
Uninvested .....	23	23	23
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	161	76	32
73.20 Total outlays (gross) .....	-64	-44	-12
73.45 Adjustments in unexpired accounts .....	-21		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	76	32	20
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	64	44	12
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	64	44	12

This program was terminated at the beginning of 1997 in accordance with the Federal Agriculture Improvement and Reform Act of 1996. The objectives of the Agricultural Conservation Program (ACP) were incorporated into the Environmental Quality Incentives Program which is funded by the Commodity Credit Corporation and administered under the lead of the Natural Resources Conservation Service.

The primary objectives of the program were to conserve soil and water resources. Along with annual agreements, cost sharing was authorized for long-term agreements of 3-10 years. At the end of 1997, there were \$76 million in unliquidated obligations for ACP agreements.

EMERGENCY CONSERVATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3316-0-1-453	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations (object class 41.0) .....	38	79	
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	22	79	
22.00 New budget authority (gross) .....	95		
23.90 Total budgetary resources available for obligation	117	79	
23.95 New obligations .....	-38	-79	
24.40 Unobligated balance available, end of year:			
Uninvested .....	79		
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	95		
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	18	24	
73.10 New obligations .....	38	79	
73.20 Total outlays (gross) .....	-32	-103	
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	24		
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	16		
86.93 Outlays from current balances .....	16	102	
87.00 Total outlays (gross) .....	32	103	
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	95		
90.00 Outlays .....	32	103	

This program was authorized by the Agricultural Credit Act of 1978 (16 U.S.C. 2201-05). It provides funds for sharing the cost of emergency measures to deal with cases of severe damage to farmlands and rangelands resulting from natural disasters.

For 1997, pursuant to P.L. 104-208, enacted September 30, 1996, and P.L. 105-18, enacted June 12, 1997, \$25 million and \$70 million respectively, in supplemental funding was provided to the Emergency Conservation Program, to remain available until expended. Under the 1997 program, cost-sharing and technical assistance were provided in 42 States as well as the Virgin Islands to treat farmlands damaged by floods, hurricanes, tornadoes, wildfires, and other natural disasters. The 1997 program rehabilitated approximately 1,551,215 acres of farmland damaged by these natural disasters.

No funding was provided in the 1998 Agriculture Appropriations Act for this program. The 1999 budget proposes no funding.

COMMODITY CREDIT CORPORATION

CORPORATIONS

The following corporations and agencies are hereby authorized to make expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

**Public enterprise funds:**

COMMODITY CREDIT CORPORATION FUND  
REIMBURSEMENT FOR NET REALIZED LOSSES

For fiscal year [1998] 1999, such sums as may be necessary to reimburse the Commodity Credit Corporation for net realized losses sustained, but not previously reimbursed [(estimated to be \$783,507,000 in the President's fiscal year 1998 Budget Request (H. Doc. 105-3)), but not to exceed \$783,507,000], pursuant to section 2 of the Act of August 17, 1961 (15 U.S.C. 713a-11).

OPERATIONS AND MAINTENANCE FOR HAZARDOUS WASTE  
MANAGEMENT

For fiscal year [1998] 1999, the Commodity Credit Corporation shall not expend more than \$5,000,000 for expenses to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9607(g), and section 6001 of the Resource Conservation and Recovery Act, 42 U.S.C. 6961: *Provided*, That expenses shall be for operations and maintenance costs only and that other hazardous waste management costs shall be paid for by the USDA Hazardous Waste Management appropriation in this Act.

[EXPORT CREDIT]

[The Commodity Credit Corporation shall make available not less than \$5,500,000,000 in credit guarantees under its export credit guarantee program extended to finance the export sales of United States agricultural commodities and the products thereof, as authorized by section 202(a) and (b) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641).]

[EMERGING MARKETS EXPORT CREDIT]

[The Commodity Credit Corporation shall make available not less than \$200,000,000 in credit guarantees under its export guarantee program for credit expended to finance the export sales of United States agricultural commodities and the products thereof to emerging markets, as authorized by section 1542 of Public Law 101-624 (7 U.S.C. 5622 note).] (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 12-4336-0-3-999	1997 actual	1998 est.	1999 est.	
<b>Obligations by program activity:</b>				
Support and related programs:				
Operating expenses:				
00.01	Commodity purchases and related inventory transactions .....	630	661	606
00.02	Storage, transportation, and other obligations not included above .....	352	443	830
Direct producer payments:				
00.03	Feed grains .....	3,834	3,071	2,967
00.04	Wheat .....	1,389	1,503	1,451
00.05	Rice .....	451	485	469
00.06	Cotton .....	607	844	874
00.07	Noninsured assistance program .....	32	86	90
00.08	Oilseeds loan deficiency .....	.....	.....	2
00.09	Crop disaster .....	2	.....	.....
00.10	Livestock assistance .....	38	.....	.....
00.11	Livestock indemnity .....	49	8	.....
00.12	Disaster reserve assistance .....	41	7	4
00.13	Conservation reserve program .....	1,671	1,798	1,694
00.14	Environmental quality incentives program— EQUIP .....	171	156	174
00.15	Wetlands reserve program .....	99	219	113
00.16	Farmland protection program .....	2	17	.....
00.17	Conservation farm option .....	.....	11	20
00.18	Reimbursement agreement and transfers to State and Federal agencies .....	39	45	45
Interest expenses:				
00.19	Treasury .....	234	123	226
00.20	Other .....	18	18	18
00.21	EQUIP technical assistance .....	20	38	20
00.22	EQUIP educational assistance .....	5	6	6
00.91	Total operating expenses .....	9,684	9,539	9,609
Capital investment:				
Direct loans:				
01.02	Purchase of ADP equipment .....	6	49	29
01.91	Total capital investment .....	6	49	29
01.92	Total support and related programs .....	9,690	9,588	9,638

02.02	Other PL 480 operating expenses .....	250	366	350
02.91	Total special activities .....	250	366	350
Reimbursable program:				
09.01	Commodity loans .....	5,333	6,408	7,451
09.01	Commodities procured—PL 480 Titles II and III commodity costs .....	521	526	526
09.09	Total reimbursable program .....	5,854	6,934	7,977
10.00	Total obligations .....	15,794	16,888	17,965

**Budgetary resources available for obligation:**

22.00	New budget authority (gross) .....	15,798	16,948	17,995
22.21	Unobligated balance transferred to other accounts .....	-29	-64	-30
22.22	Unobligated balance transferred from other accounts .....	25	4	.....
23.90	Total budgetary resources available for obligation .....	15,794	16,888	17,965
23.95	New obligations .....	-15,794	-16,888	-17,965

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

Current:				
40.00	Appropriation .....	1,500	784	8,439
40.47	Portion applied to debt reduction .....	-1,500	-784	-8,439
43.00	Appropriation (total) .....	.....	.....	.....
Permanent:				
67.10	Authority to borrow .....	8,681	8,742	8,692
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	7,117	8,206	9,303
70.00	Total new budget authority (gross) .....	15,798	16,948	17,995

**Change in unpaid obligations:**

72.40	Unpaid obligations, start of year: Obligated balance: Uninvested .....	30,941	23,842	23,710
73.10	New obligations .....	15,794	16,888	17,965
73.20	Total outlays (gross) .....	-14,396	-17,020	-18,238
73.40	Adjustments in expired accounts .....	-8,497	.....	.....
74.40	Unpaid obligations, end of year: Obligated balance: Uninvested .....	23,842	23,710	23,437

**Outlays (gross), detail:**

86.97	Outlays from new permanent authority .....	8,419	8,426	8,409
86.98	Outlays from permanent balances .....	5,977	8,594	9,829
87.00	Total outlays (gross) .....	14,396	17,020	18,238

**Offsets:**

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Federal sources:				
Federal sources:				
88.00	Sales to special activities .....	-521	-526	-526
88.00	Interest revenue .....	-9	.....	.....
88.00	Advance from foreign assistance programs (P.L. 480) .....	-872	-885	-876
Non-Federal Sources (62 stat.1070): Support and related programs:				
Non-Federal sources:				
88.40	Sales and other proceeds .....	-180	-4	-2
88.40	Assessments .....	-64	-67	-71
88.40	Interest revenue .....	-191	-194	-220
88.40	Other revenue .....	-8	.....	.....
88.40	Loans repaid .....	-5,236	-6,495	-7,570
88.40	Export credit sales program repayments .....	-3	-6	-9
88.40	Interest revenue .....	-33	-29	-29
88.90	Total, offsetting collections (cash) .....	-7,117	-8,206	-9,303

**Net budget authority and outlays:**

89.00	Budget authority .....	8,681	8,742	8,692
90.00	Outlays .....	7,279	8,814	8,935

NOTES

Contingent liabilities, commitments, and other obligations do not become charges against the statutory borrowing authority until they result in borrowing from Treasury.  
Excludes amounts for activities currently funded in the CCC Export Guarantee Loan Programs account.

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	1997 actual	1998 est.	1999 est.
Enacted/requested:			
Budget Authority .....	8,681	8,742	8,692
Outlays .....	7,279	8,814	8,935
Legislative proposal, subject to PAYGO:			
Budget Authority .....	.....	.....	-240

**Public enterprise funds—Continued**COMMODITY CREDIT CORPORATION FUND—Continued  
[EMERGING MARKETS EXPORT CREDIT]—Continued

## Summary of Budget Authority and Outlays—Continued

(in millions of dollars)

	1997 actual	1998 est.	1999 est.
Outlays .....			-327
Total:			
Budget Authority .....	8,681	8,742	8,452
Outlays .....	7,279	8,814	8,608

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

Identification code 12-4336-0-3-999	1997 actual	1998 est.	1999 est.
<b>SHORT TERM CREDIT LOANS</b>			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	388	388	382
1251 Repayments: Repayments and prepayments .....	-3	-6	-8
1261 Adjustments: Capitalized interest .....	3		
1290 Outstanding, end of year .....	388	382	374
<b>COMMODITY LOANS</b>			
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....			
1131 Direct loan obligations exempt from limitation .....	5,333	6,408	7,451
1150 Total direct loan obligations .....	5,333	6,408	7,451
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	1,254	1,351	1,264
1231 Disbursements: Direct loan disbursements .....	5,333	6,408	7,451
1251 Repayments: Repayments and prepayments .....	-5,235	-6,495	-7,570
1264 Write-offs for default: Other adjustments, net .....	-1		
1290 Outstanding, end of year .....	1,351	1,264	1,145
<b>SALE OF INVENTORY ON CREDIT TERMS</b>			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	30	30	30
1251 Repayments: Repayments and prepayments .....			
1290 Outstanding, end of year .....	30	30	30

The Commodity Credit Corporation (CCC) was created to stabilize, support, and protect farm income and prices; help maintain balanced and adequate supplies of agricultural commodities, their products, foods, feeds, and fibers; and help in their orderly distribution.

The Corporation's capital stock of \$100 million is held by the U.S. Treasury. Under present law, up to \$30 billion may be borrowed from the U.S. Treasury to finance operations.

Current, indefinite appropriation authority is requested to cover all net realized losses. Appropriations to the Corporation for net realized losses have no effect on budget authority, as they are used to repay debt directly with the Treasury.

**Budget assumptions.**—The following general assumptions form the basis for the Corporation's 1998 and 1999 budget estimates: (a) national income will rise both in 1998 and 1999 from the present level; (b) 1998 crop production will increase from 1997 crop levels for some commodities; (c) generally, exports of agricultural commodities in 1999 are expected to be higher than 1998 levels; (d) yields for the 1998 crops are based on recent averages adjusted for trend; (e) acreage allotments and marketing quotas will be in effect for the 1998 crops of certain kinds of tobacco; and (f) poundage quotas will be in effect for the 1998 crop of peanuts.

It is difficult to accurately forecast requirements for the year ending September 30, 1999, since the projections are subject to complex and unpredictable factors such as weather, other factors which affect the volume of production of crops not yet planted, feed and food needs here and overseas, and available dollar exchange.

The Federal Agriculture Improvement and Reform Act of 1996 (the 1996 Act) enacted April 4, 1996, retains the CRP as part of the Environmental Conservation Acreage Reserve Program (ECARP) but changed the funding source from direct appropriation to the Commodity Credit Corporation. The CRP is assumed to be gradually increased to 36.4 million acres by 2001. The enrollment assumptions reflect Signup 15 enrollment which adds approximately 17.6 million acres, including announced initial enrollment, changes in enrolled acreage resulting from errors and omissions in eligibility and Environmental Benefits Index (EBI) scoring determinations through producer appeals, and additional acres accepted due to waivers approved for counties exceeding the 25 percent county cropland limit. Conservation Reserve Program acreage also contributes to the USDA Conservation Buffer Initiative and the Conservation Reserve Enhancement Program and to other purposes which are estimated to enroll 5.5-9 million acres through 2002. Signup 16, which was held from October 14 through November 14, 1997 will be reflected in the 1998 and 1999 enrollment figures.

These assumptions have been developed for budget purposes as the best estimate of acreage bid into the program that will be both eligible and of high environmental quality. As such, the estimate may not reflect the actual acreage selected for Signup 16. USDA's goal is that lands selected for the CRP will only be those lands where the benefits to the Nation of retirement are greater than the benefits of continued production.

Appropriations are made to reimburse the Corporation for net realized losses sustained in carrying out its operations:

## 1999 ESTIMATE

(In millions of dollars)

Program	Gross obligations	Net outlays	Net realized loss for year
Farm income and price support:			
Commodity loans .....	7,451	-119	
Feed grain payments .....	2,967	2,967	2,967
Wheat payments .....	1,451	1,451	1,451
Rice payments .....	469	469	469
Cotton payments .....	874	874	874
Export Enhancement Program .....	550	550	550
Other support and related .....	914	335	404
Other items not distributed by program:			
Interest .....	244	-28	-6
All other .....	126	395	108
Total, farm income and price-support programs .....	15,046	6,894	6,817
Conservation programs:			
Conservation reserve program .....	1,694	1,694	1,784
Environmental quality incentives program .....	174	154	154
Wetlands reserve program .....	113	167	167
Farmland protection program .....		15	10
Conservation farm option program .....	20	11	11
Wildlife habitat incentives program .....			20
Total, conservation programs .....	2,001	2,041	2,146
Total, Commodity Credit Corporation .....	17,047	8,935	8,963

## PROGRAMS OF THE CORPORATION

**Price support, marketing assistance loans, and related stabilization programs.**—The Corporation conducts programs to support farm income and prices and stabilize the market for agricultural commodities. Price support is provided to producers of agricultural commodities through loans, purchases, payments, and other means. This is done mainly under the Commodity Credit Corporation Charter Act, as amended, the Agricultural Act of 1949, as amended, and the Federal Agriculture Improvement and Reform Act of 1996 (the 1996 Act).

Price support is mandatory for tobacco, peanuts, and dairy products. Marketing assistance loans are mandatory for wheat, feed grains, oilseeds, upland cotton, and rice. Loans are also required to be made for sugar and extra long staple cotton.

One method of providing support is loans to and purchases from producers. With limited exceptions, loans made on commodities are nonrecourse. The commodities serve as collateral for the loan and on maturity the producer may deliver or forfeit such collateral to satisfy the loan obligation without further payment.

Direct purchases may be made from processors as well as producers, depending on the commodity involved. Also, special purchases are made under various laws for the removal of surpluses; for example, the Act of August 19, 1958, as amended, and section 416 of the Agricultural Act of 1949, as amended.

*Production flexibility contract payments.*—The 1996 Act requires that the Corporation offer eligible producers a one-time opportunity to execute 7-year production flexibility contracts. Production flexibility contract participants who comply with applicable provisions receive annual payments beginning in 1996 and ending in 2002. Participants received a 50-percent advance payment for the 1996 crop within 30 days after contract approval. The balance of the 1996 payment was issued by September 30, 1996. In subsequent years, participants will receive final payments by September 30, with an option to receive advances on December 15 or January 15. Depending on each contract participant's prior contract-crop acreage history and payment yield, as well as total program participation, the participant shares a portion of a statutorily specified, annual dollar amount. In return, participants must comply with certain requirements regarding land conservation, wetland protection, and agricultural use. Contract crops, for the purposes of determining eligible cropland and payments, include wheat, corn, grain sorghum, barley, oats, upland cotton, and rice. No production adjustment requirements or related provisions are included in this program, except for restrictions on the planting of fruits and vegetables and other minor requirements. The one-time enrollment took place between May 1 and August 1, 1996; however, producers with Conservation Reserve Program (CRP) contracts will have the opportunity to enroll acreage currently in the CRP that meets the eligibility requirements for a production flexibility contract. These enrollments will occur as CRP contracts expire.

*Marketing assessments.*—The 1949 Act mandates assessments for tobacco, and the 1996 Act requires such assessments for peanuts and sugar.

*Peanut price support program.*—The 1996 Act and the Agricultural Adjustment Act of 1938, as amended (the 1938 Act), provide for a peanut loan and poundage quota program for the 1996 through 2002 peanut crops. The 1996 Act makes the peanut program, effectively, a no-cost program. The Secretary is required to provide a nonrefundable per-pound marketing assessment equal to 1.15 percent of the national average quota or additional peanut loan rate for the applicable 1996 crop and 1.2 percent of the national average quota or additional peanut loan rate for each of the applicable 1997 through 2002 crops. Assessments will be used to offset losses in area quota pools, and any assessments not required to cover these losses will be remitted to the Treasury. If the use of all other available authority does not produce funds sufficient to cover losses in area quota pools, the Secretary must increase the marketing assessment by an amount that will cover the losses.

*Sugar Program.*—The 1996 Act requires that loans be made available to eligible sugar processors for the 1996 through 2002 crops of domestically produced sugar beets and sugarcane. The announced Tariff Rate Quota (TRQ) determines the type of loan in effect. If the TRQ is not above 1,500,000 short tons, raw value, at the time of loan approval and has never been above 1,500,000 short tons, raw value, at any time during the fiscal year, recourse loans will be in effect. If the TRQ exceeds 1,500,000 short tons, raw value, at the time of loan approval or has exceeded 1,500,000 short tons,

raw value, at any time during the fiscal year, nonrecourse loans will be in effect.

*Options Pilot Program.*—The 1996 Act authorizes the Secretary, until December 31, 2002, to conduct a pilot program for one or more agricultural commodities supported under Title I of the 1996 Act to ascertain whether futures and options contracts can reasonably protect producers from the financial risks of fluctuations in price, yield, and income inherent in the production and marketing of the commodities. The Secretary shall administer the pilot program through the Risk Management Agency using CCC funds. To the maximum extent practicable, the Secretary shall operate the pilot program in a budget neutral manner.

The Federal Crop Insurance Reform Act of 1994 expanded current crop insurance authorities to provide for catastrophic coverage at 50 percent yield protection at a flat fee for crops currently covered by insurance programs. Where crop insurance is not available, producers of crops for food and fiber and certain other crops will be covered under the Noninsured Assistance Program. Effective with the 1996 crop, the Farm Service Agency administers the Noninsured Assistance Program, and the Secretary may use CCC funds to carry out the program. The program will reimburse producers at the same rates and terms as the catastrophic program where assistance is triggered by area wide disasters.

*Dairy.*—The 1996 Act provides for a dairy price support program that sets the minimum support price for milk at \$10.35 per hundredweight for calendar year 1996, \$10.20 per hundredweight for calendar year 1997, \$10.05 per hundredweight for calendar year 1998, and \$9.90 per hundredweight for calendar year 1999. In lieu of the price support program, the 1996 Act establishes a recourse loan program beginning on January 1, 2000, and continuing through 2002, during which time processors will be eligible for recourse loans on dairy products at a milk equivalent rate of \$9.90 per hundredweight. The Food Security Act of 1985, as amended (the 1985 Act), authorizes the Dairy Export Incentive Program (DEIP) through calendar year 2002. The DEIP provides subsidies to exporters of U.S. dairy products to help them compete with other subsidizing nations.

*Payment limitations.*—The 1996 Act and the Food Security Act of 1985, as amended, limit the amount of production flexibility contract payments during any fiscal year to \$40,000 and the sum of marketing assistance gains and loan deficiency payments during any crop year to \$75,000.

*Conservation programs.*—The Environmental Conservation Acreage Reserve Program (ECARP) was re-established by the 1996 Act to begin in 1996 and continue through 2002. ECARP consists of the Conservation Reserve Program (CRP), the Wetlands Reserve Program (WRP), and the Environmental Quality Incentives Program (EQIP). The 1996 Act amended the 1985 Act to require the use of CCC funds for these programs.

The CRP is authorized in all 50 States, Puerto Rico, and the Virgin Islands, on all highly erodible cropland, other environmentally sensitive cropland, and certain marginal pastureland meeting the eligibility criteria. In addition to cropland in areas adjacent to lakes and streams that can be devoted to filter strips, and cropland subject to overflow and suffering from scour erosion, eligible land may include shelterbelts windbreaks cropland contributing to water quality problems, and other lands posing environmental threats. Also eligible for the CRP are water quality or wildlife habitat impaired areas that do not meet the highly erodible land (HEL) criteria, such as the Chesapeake Bay, Great Lakes, and Long Island Sound watershed regions.

The establishment and funding for Conservation Priority Areas (CPA) under both EQIP and CRP will be harmonized in a manner to ensure program availability is coordinated to best address environmental concerns, keeping in mind the varied and diverse purposes for which the CRP and EQIP

**Public enterprise funds**—Continued

## COMMODITY CREDIT CORPORATION FUND—Continued

## PROGRAMS OF THE CORPORATION—Continued

are authorized. The 17th Signup of the CRP will have some different procedures in place for CPAs.

The EQIP combines the functions of the former Agricultural Conservation Program (ACP), the Water Quality Incentives Program (WQIP), the Great Plains Conservation Program (GPCP), and the Colorado River Basin Salinity Control Program (CRSC). The 1996 Act provided that EQIP would be phased in over a 6-month interim period, ending not later than October 4, 1996. CCC funding of \$130 million was provided for the interim 1996 program. Thereafter, through fiscal year 2002, \$200 million in CCC funding must be made available annually for the program.

The Farmland Protection Program (FPP) authorizes the Secretary to assist State and local governments in purchasing conservation easements. The Secretary shall not use more than \$35 million in CCC funds to carry out this program.

The Wildlife Habitat Incentives Program makes available assistance to help landowners improve wildlife habitat on private lands. A total of \$50 million in CRP funds must be made available for fiscal years 1996 through 2002 for this program.

The Conservation Farm Option Program (CFO) is a pilot program for producers of wheat, feed grains, upland cotton, and rice who are eligible for production flexibility contracts. Under this program, producers may consolidate their production flexibility contract, CRP, WRP, and EQIP payments into one annual payment if they enter into a 10-year contract and adopt an approved conservation farm plan. CCC must make available the following funding for the CFO: \$7.5 million in fiscal year 1997, \$15 million in fiscal year 1998, \$25 million in fiscal year 1999, \$37.5 million in fiscal year 2000, \$50 million in fiscal year 2001, and \$62.5 million in fiscal year 2002. Total authorized funding is \$197.5 million. However, no obligations were incurred in fiscal year 1997.

Under the terms of the Flood Risk Reduction Program as enacted in the 1996 Act, during each of fiscal years 1996 through 2002, the Secretary may enter into a contract with a producer who has contract acreage in the production flexibility program that is frequently flooded. Producers can receive up to 95 percent of the projected production flexibility contract payments the producer would otherwise have received from the time of enrollment in the Flood Risk Reduction Program through September 30, 2002. In return, producers must terminate their production flexibility contract with respect to the enrolled acreage, comply with swampbuster and conservation compliance provisions, and forgo future disaster payments, crop insurance payments, conservation program payments, and loans for contract commodities, oilseeds, and extra long staple cotton. The 1996 Act provided that the Secretary shall carry out the program through the Commodity Credit Corporation.

**Supply and foreign purchases.**—The Corporation can procure from domestic and foreign sources food, agricultural commodities, and products and related materials to supply the needs of Federal agencies, foreign governments, and private and international relief agencies, under section 5 (b) and (c) of the Commodity Credit Corporation Charter Act, as amended.

**Commodity exports.**—The Corporation promotes the export of agricultural commodities and products through sales for dollars or foreign currency, payments, extension of credit, assumption of certain risks, and conduct of other operations with respect to the exportation of commodities. Such commodities and products may be those held in private trade channels as well as those acquired by the Corporation. These programs

are carried out under the authority of the CCC Charter Act and other specific legislation.

**Foreign donations.**—The Corporation may furnish commodities under the authority of section 416(b) of the Agricultural Act of 1949 to carry out programs of assistance in developing countries and friendly countries and pay costs associated with making the commodities available. The Corporation may also use its funds to furnish commodities overseas under the authority of the Food for Progress Act of 1985; however, not more than 500,000 metric tons of commodities may be provided under this authority in each fiscal year, and not more than \$30 million of the funds of the Corporation (exclusive of the costs of commodities) may be used for each fiscal year. In addition, under the Food for Progress Act of 1985, not to exceed \$10 million of the Corporation's funds or commodities may be used each fiscal year to enhance the development of private sector agriculture in countries receiving commodities under the Food for Progress Act of 1985.

**Loan operations.**—The following table reflects commodity loan operations of the Corporation:

Item	[In millions of dollars]		
	1997 actual	1998 est.	1999 est.
Loans outstanding, gross, start of year:			
Commodity Credit Corporation .....	1,254	1,351	1,263
Additional loans made .....	5,333	6,408	7,451
Deduct:			
Loans repaid .....	-5,235	-6,496	-7,569
Write-offs .....	-1		
Total loans outstanding, gross, end of year	1,351	1,263	1,145

**Inventory operations.**—The following table reflects the inventory operations applicable to the preceding programs:

## AGRICULTURAL COMMODITIES

Item	[In millions of dollars]		
	1997 actual	1998 est.	1999 est.
On hand, start of year, gross .....	485	377	399
Acquisitions:			
Forfeiture of loan collateral .....	1		
Purchases .....	627	659	602
Carrying charges:			
Charges to inventory .....	3	3	4
Storage and handling (non-add) .....	(30)	(29)	(29)
Transportation (non-add) .....		(2)	(1)
Total acquisitions .....	631	662	606
Dispositions:			
Domestic donations to:			
Institutions .....	2	39	50
Total domestic donations .....	2	39	50
Export donations .....	59	71	76
Sales and transfers:			
Special programs: Title II, Public Law 480 .....	468	504	504
Title III, Public Law 480 .....	53	23	23
Other sales .....	166	3	1
Net loss or gain (-) on sales and transfers .....	-9		
Total sales and transfers .....	678	530	528
Total dispositions .....	739	640	654
On hand, end of year, gross .....	377	399	351
On hand, end of year, net .....	377	399	351

**Other data.**—The following table reflects other data which are applicable to price support and related programs:

DATA ON SUPPORT AND RELATED PROGRAMS

Item	[In millions of dollars]		
	1997 actual	1998 est.	1999 est.
Loans made .....	5,333	6,408	7,451
Loans repaid .....	5,235	6,496	7,569
Loans outstanding, end of year .....	1,351	1,263	1,145
Acquisitions .....	631	662	606
Cost of commodities sold .....	678	530	528
Cost of commodities donated .....	61	110	126
Inventory, end of year .....	377	399	351
Investment in loans and inventory, end of year .....	1,728	1,662	1,496
Direct producer payments .....	7,147	8,036	7,844
Net expenditures .....	7,256	8,574	8,747
Realized losses .....	8,506	8,538	8,963

*Operating expenses.*—The Corporation carries out its functions through utilization of employees and facilities of other Government agencies. Administrative expenses are incurred by: the Farm Service Agency (FSA); the Foreign Agricultural Service; the Natural Resources Conservation Service; the Risk Management Agency; other agencies of the Department engaged in the Corporation's activities; and the Office of the Inspector General for audit functions. Additional expenses are incurred by FSA county offices for work related to programs of the Corporation, other FSA expenses offset by revenue, custodian, and agency expenses of the Federal Reserve banks and lending agencies, and miscellaneous costs.

Expenses are incurred for acquisition, operation, maintenance, improvement, or disposition of existing property that the Corporation owns or in which it has an interest. These expenses are treated as program expenses. Such program expenses include inspection, classing, and grading work performed on a fee basis by Federal employees or Federal- or State-licensed inspectors; and special services performed by Federal agencies within and outside this Department. Most of these general expenses, including storage and handling, transportation, inspection, classing and grading, and producer storage payments, are included in program costs. They are shown in the program and financing schedule in the entries entitled "Storage, transportation, and other obligations not included above," and "Producer storage payments."

Section 161 of the 1996 Act amended the CCC Charter Act to significantly limit the use of CCC funds. CCC no longer has authority to purchase personal property except within authorized limitations. CCC spending for equipment or services relating to automated data processing (ADP), information technologies, or related items (including telecommunications equipment and computer hardware and software, but excluding reimbursable agreements) was limited to \$170 million in fiscal year 1996, and \$275 million for the six-year period including fiscal years 1997 through 2002, unless additional amounts for such contracts and agreements are provided in advance in appropriation acts. The 1996 Act also requires that CCC submit an itemized report to Congress on a quarterly basis of all expenditures, excluding program payments, of over \$10,000.

Section 161 of the 1996 Act also amended section 11 of the CCC Charter Act to limit the use of CCC funds for the transfer and allotment of funds to State and Federal agencies. Beginning on October 1, 1996, the total of these allotments and transfers under that section in a fiscal year, including agreements for ADP or information resource management activities, may not exceed the total of such allotments and transfers in fiscal year 1995. The obligations for these Section 11 activities in fiscal year 1995 were \$46.188 million.

The Corporation receives reimbursement for grain requisitioned pursuant to Public Law 87-152 by the States from Corporation stocks to feed resident wildlife threatened with starvation through the appropriation reimbursement for net realized losses. There have been no requisitions in recent years, however.

SPECIAL ACTIVITIES

These activities are carried out under authority of section 5(g) of the Corporation's charter act and specific statutory authorizations or directives with respect thereto that are currently in effect or which may subsequently be enacted.

A summary of such current activities not included under other designated activities is as follows:

Item	1999 estimate [In millions of dollars]	
	Gross obligations	Outlays (reimbursable)
(1) Financing sales of agricultural commodities for foreign currencies or for dollars on credit terms .....	112	139
(2) Commodities supplied in connection with dispositions abroad (Title II) .....	837	836
(3) Commodities supplied in connection with dispositions abroad (Title III) .....	30	30
Total .....	979	1,005

The Corporation receives appropriations or reimbursement for the cost of these activities as described under each.

Activities currently being carried out are as follows (see Foreign Assistance programs for details of items (1), (2) and (3)).

(1) Financing the sale and exportation of agricultural commodities for foreign currencies or for dollars (title I, of P.L. 480).

(2) Commodities supplied in connection with dispositions abroad (title II, of P.L. 480).

(3) Commodities supplied in connection with dispositions abroad (title III, of P.L. 480).

(4) Commodities supplied in connection with dispositions abroad (Food for Progress Act of 1985).

FINANCING

*Borrowing authority.*—The Corporation has an authorized capital stock of \$100 million held by the U.S. Treasury and, effective in 1988, authority to have outstanding borrowings up to \$30 billion at any one time.

Funds are borrowed from the Treasury and may also be borrowed from private lending agencies and others. The Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made to the Corporation by such agencies and others. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the Act of March 8, 1938.

Interest on borrowings from the Treasury (and on capital stock) is paid at a rate based upon the average interest rate of all outstanding marketable obligations (of comparable maturity date) of the United States as of the preceding month. Interest is also paid on other notes and obligations at a rate prescribed by the Corporation and approved by the Secretary of the Treasury.

The Department of Agriculture and Related Agencies Appropriation Act, 1966, made provision for terminating interest after June 30, 1964 on the portion of the Corporation's borrowings from the Treasury equal to the unreimbursed realized losses recorded on the books of the Corporation after the end of the fiscal year in which such losses are realized.

POSITION WITH RESPECT TO BORROWING AUTHORITY, END OF YEAR

Item	[In millions of dollars]		
	1997 actual	1998 est.	1999 est.
Statutory borrowing authority .....	30,000	30,000	30,000
Deduct: Borrowings from Treasury .....	6,897	15,733	17,285
Net statutory borrowing authority available .....	23,103	14,267	13,715

Note.—Accounts payable, accrued liabilities, and other outstanding obligations not reflected on this table do not become charges against the statutory borrowing authority until they result in borrowings from the Treasury.

*Contract authority.*—Price support and other programs required by statute may result in the Corporation incurring

**Public enterprise funds—Continued**

COMMODITY CREDIT CORPORATION FUND—Continued

FINANCING—Continued

obligations in excess of available funds and borrowing authority. Such obligations are liquidated from subsequent appropriations and other funds that may become available to the Corporation. Any increase in obligations in excess of available fund resources is reported as contract authority in the year involved; a decrease is reported as the application of appropriations and other funds to liquidate the authority.

*Appropriations.*—Under section 2 of Public Law 87–155 annual appropriations are authorized for each fiscal year to reimburse the Corporation for net realized losses incurred as of the close of each year.

The special activities are financed as indicated in the program descriptions above. In addition to certain reimbursements from other agencies, appropriations are made for foreign assistance programs.

*Deficit.*—The net realized losses of the Corporation have previously been reimbursed as follows:

**SUPPORT AND RELATED PROGRAMS**

	(In millions of dollars)	1997 actual
Realized losses, 1933 to 1997, inclusive		253,360
Reimbursements by the Treasury:		
Reimbursements of realized losses:		
Appropriations (58 times)	240,979	
Note cancellations (6 times)	2,698	
Less dividends paid to Treasury (4 times)	–138	
Total reimbursements for net realized losses	243,539	
Other reimbursements:		
Appropriations (2 times)	542	
Note cancellation (1 time)	56	
Total other reimbursements	598	
Total	244,137	
Realized deficit as of September 30, 1997, support and related programs		9,223

**Statement of Operations (in millions of dollars)**

Identification code 12–4336–0–3–999	1996 actual	1997 actual	1998 est.	1999 est.
0101 Revenue	1,083	1,322	1,213	1,166
0102 Expense	–8,783	–9,828	–9,751	–10,129
0109 Net income or loss (–)	–7,700	–8,506	–8,538	–8,963

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

Identification code 12–4336–0–3–999	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
<b>Federal assets:</b>				
1101 Fund balances with Treasury	–1,469	–693	–693	–693
Investments in US securities:				
1106 Receivables, net	2,405	9,404	15,857	15,769
1107 Advances and prepayments	54	14	14	14
<b>Non-Federal assets:</b>				
1206 Receivables, net	1,169	333	333	333
1207 Advances and prepayments	14	5	5	5
Net value of assets related to pre–1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	1,643	1,769	1,676	1,549
1602 Interest receivable	193	185	185	185
1603 Allowance for estimated uncollectible loans and interest (–)	–82	–78	–78	–78
1604 Direct loans and interest receivable, net	1,754	1,876	1,783	1,656
1699 Value of assets related to direct loans	1,754	1,876	1,783	1,656
1701 Defaulted guaranteed loans, gross	5,552	5,502	5,223	4,963
1702 Interest receivable	22	27	27	20

1703 Allowance for estimated uncollectible loans and interest (–)	–1,322	–1,322	–1,322	–1,322
1704 Defaulted guaranteed loans and interest receivable, net	4,252	4,207	3,928	3,661
1799 Value of assets related to loan guarantees	4,252	4,207	3,928	3,661
<b>Other Federal assets:</b>				
1801 Cash and other monetary assets	54	555	555	555
1802 Inventories and related properties	485	377	399	351
1803 Property, plant and equipment, net	81	90	94	112
1999 Total assets	8,799	16,168	22,275	21,763
<b>LIABILITIES:</b>				
<b>Federal liabilities:</b>				
2101 Accounts payable	8	3	8	8
2102 Interest payable		139	111	134
2103 Debt	496	6,897	14,297	14,640
2104 Resources payable to Treasury	4,297	4,251	2,821	2,821
2105 Other	398	398	398	398
<b>Non-Federal liabilities:</b>				
2201 Accounts payable	48	56	56	56
2204 Liabilities for loan guarantees	19	19	19	19
2207 Other	2,508	3,285	3,285	2,407
2999 Total liabilities	7,774	15,048	20,995	20,483
<b>NET POSITION:</b>				
3100 Appropriated capital	925	1,020	1,180	1,180
3200 Invested capital	100	100	100	100
3999 Total net position	1,025	1,120	1,280	1,280
4999 Total liabilities and net position	8,799	16,168	22,275	21,763

Note.—In addition to obligations other than liabilities, the Corporation does not reflect in its accounts claims by the Corporation on which adequate proof has not been established.

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

Identification code 12–4336–0–3–999	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
22.0 Transportation of things	284	398	381
<b>Other services:</b>			
25.2 Other services	141	141	113
25.2 Other services: Storage and handling	30	29	29
26.0 Supplies and materials: Costs of commodities sold or donated–PL 480	630	661	606
31.0 ADP equipment	6	49	29
41.0 Grants, subsidies, and contributions	8,597	8,536	8,586
43.0 Interest and dividends	252	140	244
99.0 Subtotal, direct obligations	9,940	9,954	9,988
<b>Reimbursable obligations:</b>			
26.0 Supplies and materials: Cost of commodities sold or donated—PL 480	521	526	526
33.0 Investments and loans	5,333	6,408	7,451
99.0 Subtotal, reimbursable obligations	5,854	6,934	7,977
99.9 Total obligations	15,794	16,888	17,965

**COMMODITY CREDIT CORPORATION FUND  
(Legislative proposal, subject to PAYGO)**

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

Identification code 12–4336–4–3–999	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Environmental quality incentives program—EQIP			100
00.02 Cotton user marketing step–2 payments			–110
00.03 Export enhancement program			–230
10.00 Total obligations			–240
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross)			–240
23.95 New obligations			240
<b>New budget authority (gross), detail:</b>			
67.10 Authority to borrow			–240
<b>Change in unpaid obligations:</b>			
73.10 New obligations			–240



73.20	Total outlays (gross) .....	327
74.40	Unpaid obligations, end of year: Obligated balance:	
	Uninvested .....	87
<b>Outlays (gross), detail:</b>		
86.97	Outlays from new permanent authority .....	-327
<b>Net budget authority and outlays:</b>		
89.00	Budget authority .....	-240
90.00	Outlays .....	-327

This schedule reflects proposed savings in commodity programs. These savings offset the Administration's proposal to provide mandatory funding for a portion of the crop insurance program delivery expenses, an expansion of the Environmental Quality Incentives Program (EQIP), and other initiatives of the Administration.

The Administration will proposed legislation to increase CCC funding for EQIP by \$100 million in 1999 and by a total of \$350 million for the period 1999 to 2003.

The proposal for upland cotton user marketing certificates, also known as step-2 payments, would reduce outlays by an estimated \$110 million in 1999 and \$48 million in 2000 by capping payments to \$140 million in 1999 and to no more than \$333 million during the period 1999 through 2002. Existing law caps step-2 payments to \$701 million during fiscal years 1996 through 2002.

In addition, a reduced flexible, multi-year program level authorization is proposed for the Export Enhancement Program (EEP) for 1999 and subsequent years. Under this proposal, a total funding level of just under \$1.2 billion will be available for EEP during the 1999 to 2003 period. The proposal will provide administrative discretion to the Department to determine the annual level of funding for EEP (subject to the \$320 million limitation in 1999), and any funding that is not used in one year will remain available for use in a subsequent year. However, annual program levels will continue to be subject to the export subsidy reduction commitments established in conjunction with the Uruguay Round Agreement on Agriculture. This proposal will generate estimated savings of \$230 million in 1999 and a total of \$1.4 billion during 1999 to 2003.

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

Identification code 12-4336-4-3-999	1997 actual	1998 est.	1999 est.
25.2 Other services .....			13
41.0 Grants, subsidies, and contributions .....			-253
99.9 Total obligations .....			-240

**COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM  
ACCOUNT  
(INCLUDING TRANSFERS OF FUNDS)**

For administrative expenses to carry out the Commodity Credit Corporation's export guarantee program, GSM 102 and GSM 103, **[\$3,820,000] \$4,085,000**; to cover common overhead expenses as permitted by section 11 of the Commodity Credit Corporation Charter Act and in conformity with the Federal Credit Reform Act of 1990, of which not to exceed **[\$3,231,000] \$3,413,000** may be transferred to and merged with the appropriation for the salaries and expenses of the Foreign Agricultural Service, and of which not to exceed **[\$589,000] \$672,000** may be transferred to and merged with the appropriation for the salaries and expenses of the Farm Service Agency. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-1336-0-1-351	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.02 Guaranteed Loan Subsidy .....	289	408	253

00.07	Reestimates of guaranteed loan subsidy .....	263		
00.08	Interest on reestimates of guaranteed loan subsidy .....	80		
00.09	Administrative expenses .....	4	4	4
10.00	Total obligations .....	636	412	257

**Budgetary resources available for obligation:**

21.40	Unobligated balance available, start of year:			
	Uninvested .....	620	268	61
22.00	New budget authority (gross) .....	281	204	248
22.10	Resources available from recoveries of prior year obligations .....	4		
23.90	Total budgetary resources available for obligation .....	905	472	309
23.95	New obligations .....	-636	-412	-257
24.40	Unobligated balance available, end of year:			
	Uninvested .....	268	61	52

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

<b>Current:</b>				
40.00	Appropriation .....	4	4	4
<b>Permanent:</b>				
60.05	Appropriation (indefinite) .....		200	244
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	277		
70.00	Total new budget authority (gross) .....	281	204	248

**Change in unpaid obligations:**

72.40	Unpaid obligations, start of year: Obligated balance:			
	Uninvested .....	117	156	178
73.10	New obligations .....	636	412	257
73.20	Total outlays (gross) .....	-593	-389	-317
73.45	Adjustments in unexpired accounts .....	-4		
74.40	Unpaid obligations, end of year: Obligated balance:			
	Uninvested .....	156	178	118

**Outlays (gross), detail:**

86.90	Outlays from new current authority .....	4	4	4
86.97	Outlays from new permanent authority .....		81	202
86.98	Outlays from permanent balances .....	589	304	111
87.00	Total outlays (gross) .....	593	389	317

**Offsets:**

<b>Against gross budget authority and outlays:</b>				
88.00	Offsetting collections (cash) from: Downward Re-estimate .....	-277		

**Net budget authority and outlays:**

89.00	Budget authority .....	4	204	248
90.00	Outlays .....	316	389	317

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

Identification code 12-1336-0-1-351	1997 actual	1998 est.	1999 est.	
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>				
2150	Loan guarantee levels .....	3,500	5,000	4,615
2159	Total loan guarantee levels .....	3,500	5,000	4,615
<b>Guaranteed loan subsidy (in percent):</b>				
2320	Subsidy rate .....	8.52	8.16	5.48
2329	Weighted average subsidy rate .....	8.52	8.16	5.48
<b>Guaranteed loan subsidy budget authority:</b>				
2330	Subsidy budget authority .....	298	408	253
2339	Total subsidy budget authority .....	298	408	253
<b>Guaranteed loan subsidy outlays:</b>				
2340	Subsidy outlays .....	365	385	313
2349	Total subsidy outlays .....	365	385	313
<b>Administrative expense data:</b>				
3510	Budget authority—administrative expenses .....	4	4	4
3590	Outlays—administrative expenses .....	4	4	4

This is the program account for the GSM-102 and GSM-103 CCC Export Credit Guarantee Programs. The Export Credit Guarantee Program (GSM-102) covers credit terms of up to 3 years. The Intermediate Export Credit Guarantee

**Public enterprise funds—Continued**COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM  
ACCOUNT—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

Program (GSM-103) covers longer credit terms of between 3 and 10 years. Under these programs, CCC does not provide financing, but guarantees payments due from foreign banks and buyers. Because payment is guaranteed, financial institutions in the United States can offer competitive credit terms to foreign banks, usually with interest rates based on the London Inter-Bank Offered Rate (LIBOR). If the foreign bank fails to make any payment as agreed, the exporter or assignee must submit a notice of default to the CCC. A claim for loss must be filed, and the CCC will promptly pay claims found to be in good order. CCC usually guarantees 98 percent of the principal payment due and interest based on a percentage of the one-year Treasury rate.

A portion of the guarantees made available under the GSM-102 program is provided as Supplier Credit Guarantees. Under this activity, CCC guarantees a portion of payment due from importers under short-term financing (for up to 180 days) that exporters have extended directly to the importers for the purchase of U.S. agricultural commodities and products. CCC does not provide financing, but guarantees payment due from an importer. A substantially smaller portion of the value of exports (currently 60 percent) is guaranteed under Supplier Credit Guarantees than under regular GSM-102 guarantees where CCC is guaranteeing foreign bank obligations.

A portion of the GSM-102 guarantees is also made available as Facilities Guarantees. Under this activity, CCC guarantees export financing for capital goods and services to improve handling, marketing, processing, storage, or distribution of imported agricultural commodities and products.

The subsidy estimates for the GSM-102 and GSM-103 programs are determined in large part by the obligor's sovereign or non-sovereign country risk grade. These grades are developed annually by the International Credit Risk Assessment System Committee (ICRAS). In unusual circumstances, an ICRAS grade for a country may change during the fiscal year. The default estimates for GSM guarantees are determined in large part by the risk premia assigned for each risk grade.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the credit guarantees committed in 1992 and beyond (including modifications of credit guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis. The 1999 budget displays the GSM loan guarantee volume and the subsidy level that can be justified by forecast economic conditions, the expected supply/demand conditions of countries requesting GSM loan guarantees.

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

Identification code 12-1336-0-1-351	1997 actual	1998 est.	1999 est.
25.3 Purchases of goods and services from Government accounts .....	4	4	4
41.0 Grants, subsidies, and contributions .....	632	408	253
99.9 Total obligations .....	636	412	257

COMMODITY CREDIT CORPORATION EXPORT GUARANTEE FINANCING  
ACCOUNT**Program and Financing** (in millions of dollars)

Identification code 12-4337-0-3-351	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Default claims .....	11	339	342
00.02 Interest on debt to Treasury .....	62	62	62
00.07 Technical reestimate of subsidy .....	238		
00.08 Technical reestimate—interest .....	39		
10.00 Total obligations .....	350	401	404
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	689	1,010	1,036
22.00 New financing authority (gross) .....	733	427	404
22.10 Resources available from recoveries of prior year obligations .....	-62		
23.90 Total budgetary resources available for obligation .....	1,360	1,437	1,440
23.95 New obligations .....	-350	-401	-404
24.40 Unobligated balance available, end of year:			
Uninvested .....	1,010	1,036	1,036
<b>New financing authority (gross), detail:</b>			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	733	525	458
68.47 Portion applied to debt reduction .....		-98	-54
68.90 Spending authority from offsetting collections (total) .....	733	427	404
70.00 Total new financing authority (gross) .....	733	427	404
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....	350	401	404
73.20 Total financing disbursements (gross) .....	-412	-401	-404
73.45 Adjustments in unexpired accounts .....	62		
87.00 Total financing disbursements (gross) .....	412	401	404
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account .....	-589	-385	-313
88.25 Interest on uninvested funds .....	-26	-11	-13
Non-Federal sources:			
88.40 Loan origination fee .....	-14	-31	-29
88.40 Principal collections .....	-1	-3	-8
88.40 Interest collections .....	-103	-95	-95
88.90 Total, offsetting collections (cash) .....	-733	-525	-458
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....		-98	-54
90.00 Financing disbursements .....	-321	-124	-54

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

Identification code 12-4337-0-3-351	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....			
2131 Guaranteed loan commitments exempt from limitation .....	3,500	5,000	4,615
2150 Total guaranteed loan commitments .....	3,500	5,000	4,615
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	5,323	4,548	5,987
2231 Disbursements of new guaranteed loans .....	2,411	5,000	4,615
2251 Repayments and prepayments .....	-3,175	-3,222	-3,924
Adjustments:			
2261 Terminations for default that result in loans receivable .....	-11	-339	-342
2264 Other adjustments, net .....			
2290 Outstanding, end of year .....	4,548	5,987	6,336

Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	4,502	5,867	6,209
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year .....	1,294	1,299	1,635
2331	Disbursements for guaranteed loan claims .....	11	339	342
2351	Repayments of loans receivable .....	-1	-3	-8
2364	Other adjustments, net .....	-5		
2390	Outstanding, end of year .....	1,299	1,635	1,969

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

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

Identification code 12-4337-0-3-351	1996 actual	1997 actual	1998 est.	1999 est.	
<b>ASSETS:</b>					
Federal assets:					
1101	Fund balances with Treasury .....	689	1,010	1,035	1,035
Investments in US securities:					
1106	Receivables, net .....	77	74		
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:					
1501	Defaulted guaranteed loans receivable, gross .....	1,294	1,299	1,635	1,969
1599	Net present value of assets related to defaulted guaranteed loans .....	1,294	1,299	1,635	1,969
1999	Total assets .....	2,060	2,383	2,670	3,004
<b>LIABILITIES:</b>					
2103	Federal liabilities: Debt .....	851	851	851	851
2204	Non-Federal liabilities: Liabilities for loan guarantees .....	1,209	1,532	1,819	2,153
2999	Total liabilities .....	2,060	2,383	2,670	3,004
<b>NET POSITION:</b>					
3100	Appropriated capital .....				
3999	Total net position .....				
4999	Total liabilities and net position .....	2,060	2,383	2,670	3,004

**COMMODITY CREDIT CORPORATION GUARANTEED LOANS LIQUIDATING ACCOUNT**

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

Identification code 12-4338-0-3-351	1997 actual	1998 est.	1999 est.	
<b>Obligations by program activity:</b>				
01.01	Capital investment: Direct loans: Guarantee claims .....	21	6	
10.00	Total obligations (object class 33.0) .....	21	6	
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance available, start of year:			
	Uninvested .....	64	85	
22.00	New budget authority (gross) .....	360	643	505
22.40	Capital transfer to general fund .....	-318	-722	-505
23.90	Total budgetary resources available for obligation .....	106	6	
23.95	New obligations .....	-21	-6	
24.40	Unobligated balance available, end of year:			
	Uninvested .....	85		
<b>Net budget authority (gross), detail:</b>				
68.00	Spending authority from offsetting collections (gross):			
	Offsetting collections (cash) .....	360	643	505
<b>Change in unpaid obligations:</b>				
73.10	New obligations .....	21	6	
73.20	Total outlays (gross) .....	-21	-6	

<b>Outlays (gross), detail:</b>				
86.97	Outlays from new permanent authority .....	21	6	
87.00	Total outlays (gross) .....	21	6	
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....		-8	
Non-Federal sources:				
88.40	Repayments of principal .....	-89	-285	-260
88.40	Interest received on loans .....	-271	-350	-245
88.90	Total, offsetting collections (cash) .....	-360	-643	-505
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	-339	-637	-505

Note.—Includes amounts for activities previously funded in the Commodity Credit Corporation Fund.

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

Identification code 12-4338-0-3-351	1997 actual	1998 est.	1999 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	91	16	
2251	Repayments and prepayments .....	-55	-10	
2261	Adjustments: Terminations for default that result in loans receivable .....	-20	-6	
2290	Outstanding, end of year .....	16		
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	16		
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year .....	5,067	4,999	4,693
2331	Disbursements for guaranteed loan claims .....	21	6	
2351	Repayments of loans receivable .....	-89	-293	-260
2364	Other adjustments, net .....		-19	
2390	Outstanding, end of year .....	4,999	4,693	4,433

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from loan guarantees committed prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond is recorded in corresponding program and financing accounts.

**FARM SERVICE AGENCY**

**Credit accounts:**

**AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT (INCLUDING TRANSFERS OF FUNDS)**

For gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928-1929, to be available from funds in the Agricultural Credit Insurance Fund, as follows: farm ownership loans, [\$460,000,000] \$510,031,000 of which [\$400,000,000] \$425,031,000 shall be for guaranteed loans; operating loans, [\$2,395,000,000] \$2,400,000,000 of which \$1,700,000,000 shall be for unsubsidized guaranteed loans and \$200,000,000 shall be for subsidized guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, [\$1,000,000] \$1,003,000; for emergency insured loans, \$25,000,000 to meet the needs resulting from natural disasters; for boll weevil eradication program loans as authorized by 7 U.S.C. 1989, [\$34,653,000] \$30,000,000; and for credit sales of acquired property, \$25,000,000.

For the cost of direct and guaranteed loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, as follows: farm ownership loans, [\$21,380,000] \$19,483,000 of which [\$15,440,000] \$6,758,000 shall be for guaranteed loans; operating loans, [\$71,394,000] \$71,350,000 of which [\$19,890,000] \$19,720,000 shall be for unsubsidized guaranteed loans and [\$19,280,000] \$17,480,000 shall be for subsidized guaranteed

**Credit accounts—Continued**

**AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT—Continued**

(INCLUDING TRANSFERS OF FUNDS)—Continued

loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, [\$132,000] \$153,000; for emergency insured loans, [\$6,008,000] \$5,900,000 to meet the needs resulting from natural disasters; for boll weevil eradication program loans as authorized by 7 U.S.C. 1989, [\$250,000] \$432,000; and for credit sales of acquired property, [\$3,255,000] \$3,260,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, [\$219,861,000] \$237,673,000 of which [\$209,861,000] \$227,673,000 shall be transferred to and merged with the "Farm Service Agency, Salaries and Expenses" account.

**DAIRY INDEMNITY PROGRAM**

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses involved in making indemnity payments to dairy farmers for milk or cows producing such milk and manufacturers of dairy products who have been directed to remove their milk or dairy products from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government, and in making indemnity payments for milk, or cows producing such milk, at a fair market value to any dairy farmer who is directed to remove his milk from commercial markets because of: (1) the presence of products of nuclear radiation or fallout if such contamination is not due to the fault of the farmer; or (2) residues of chemicals or toxic substances not included under the first sentence of the Act of August 13, 1968 (7 U.S.C. 450j), if such chemicals or toxic substances were not used in a manner contrary to applicable regulations or labeling instructions provided at the time of use and the contamination is not due to the fault of the farmer, [\$550,000] \$450,000, to remain available until expended (7 U.S.C. 2209b): *Provided*, That none of the funds contained in this Act shall be used to make indemnity payments to any farmer whose milk was removed from commercial markets as a result of his willful failure to follow procedures prescribed by the Federal Government: *Provided further*, That this amount shall be transferred to the Commodity Credit Corporation: *Provided further*, That the Secretary is authorized to utilize the services, facilities, and authorities of the Commodity Credit Corporation for the purpose of making dairy indemnity disbursements. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-1140-0-1-351	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year	141	366	366
Receipts:			
02.02 Agriculture credit insurance fund direct loans, downward reestimates of subsidies	225		
04.00 Total: Balances and collections	366	366	366
07.99 Total balance, end of year	366	366	366

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

Identification code 12-1140-0-1-351	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy	130	57	57
00.02 Guaranteed loan subsidy	48	58	44
00.05 Reestimates of direct loan subsidy	73		
00.06 Interest on reestimates of direct loan subsidy	20		
00.07 Reestimates of guaranteed loan subsidy	39		
00.08 Interest on reestimates of guaranteed loan subsidy	11		
Administrative expenses:			
00.09 Administrative expenses—salaries and expenses	209	210	228
00.10 Administrative expenses—non-recoverable costs	11	10	10
10.00 Total obligations	541	335	339

**Budgetary resources available for obligation:**

21.40 Unobligated balance available, start of year:			
Uninvested	29	13	13
22.00 New budget authority (gross)	541	335	339

22.30 Unobligated balance expiring	-16		
23.90 Total budgetary resources available for obligation	554	348	352
23.95 New obligations	-541	-335	-339
24.40 Unobligated balance available, end of year:			
Uninvested	13	13	13

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

Current:			
40.00 Appropriation	396	335	339
Permanent:			
60.05 Appropriation (indefinite)	143		
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	2		
70.00 Total new budget authority (gross)	541	335	339

**Change in unpaid obligations:**

72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	20	23	22
73.10 New obligations	541	335	339
73.20 Total outlays (gross)	-531	-336	-342
73.40 Adjustments in expired accounts	-7		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	23	22	19

**Outlays (gross), detail:**

86.90 Outlays from new current authority	370	318	325
86.93 Outlays from current balances	16	18	17
86.97 Outlays from new permanent authority	145		
87.00 Total outlays (gross)	531	336	342

**Offsets:**

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-2		

**Net budget authority and outlays:**

89.00 Budget authority	539	335	339
90.00 Outlays	531	336	342

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

Identification code 12-1140-0-1-351	1997 actual	1998 est.	1999 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Farm ownership	84	46	85
1150 Farm operating	516	490	500
1150 Emergency disaster	145	63	25
1150 Indian tribe land acquisition		1	1
1150 Credit sales of acquired property	14	25	25
1150 Boll weevil eradication	40	21	30
1159 Total direct loan levels	799	646	666
Direct loan subsidy (in percent):			
1320 Farm ownership	21.03	13.04	14.97
1320 Farm operating	12.59	6.57	6.83
1320 Emergency disaster	30.41	24.03	23.60
1320 Indian tribe land acquisition	24.12	13.18	15.25
1320 Credit sales of acquired property	18.06	13.02	13.04
1320 Boll weevil eradication	1.24	1.18	1.44
1329 Weighted average subsidy rate	16.24	8.82	8.50
Direct loan subsidy budget authority:			
1330 Farm ownership	18	6	13
1330 Farm operating	65	32	34
1330 Emergency disaster	44	15	6
1330 Credit sales of acquired property	3	3	3
1339 Total subsidy budget authority	130	56	56
Direct loan subsidy outlays:			
1340 Farm ownership	19	7	12
1340 Farm operating	68	34	34
1340 Emergency disaster	48	15	6
1340 Credit sales of acquired property	3	3	3
1349 Total subsidy outlays	138	59	55
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Farm ownership, unsubsidized	530	400	425
2150 Farm operating, unsubsidized	829	1,700	1,700
2150 Farm operating, subsidized	216	231	200
2159 Total loan guarantee levels	1,575	2,331	2,325

Guaranteed loan subsidy (in percent):				
2320	Farm ownership, unsubsidized .....	3.69	3.86	1.59
2320	Farm operating, unsubsidized .....	1.10	1.17	1.16
2320	Farm operating, subsidized .....	9.08	9.64	8.74
2329	Weighted average subsidy rate .....	3.07	2.47	1.89
Guaranteed loan subsidy budget authority:				
2330	Farmer ownership, unsubsidized .....	20	15	7
2330	Farm operating, unsubsidized .....	9	20	20
2330	Farm operating, subsidized .....	20	19	17
2339	Total subsidy budget authority .....	49	54	44
Guaranteed loan subsidy outlays:				
2340	Farmer ownership, unsubsidized .....	13	16	10
2340	Farm operating, unsubsidized .....	8	18	20
2340	Farm operating, subsidized .....	17	22	18
2349	Total subsidy outlays .....	38	56	48
Administrative expense data:				
3510	Budget authority .....	219	220	238
3590	Outlays .....	219	220	238

The Agricultural Credit Insurance Fund Program Account's loans are authorized by title III of the Consolidated Farm and Rural Development Act, as amended.

This program account includes subsidies to provide direct and guaranteed loans for farm ownership, farm operating, and emergency loans to individuals. Indian tribes and tribal corporations are eligible for Indian land acquisition loans.

Additional funding for disaster loans was provided through a fiscal year 1997 supplemental appropriation for emergency disaster, direct operating, and guaranteed subsidized operating loans (P.L. 105-18) with that funding to be available until expended.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated and loan guarantees committed in 1992 and beyond (including credit sales of acquired property), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

Under the Dairy Indemnity Program (DIP), payments are made to farmers and manufacturers of dairy products who are directed to remove their milk or milk products from commercial markets because they contain residues of chemicals that have been registered and approved by the Federal Government, other chemicals, nuclear radiation, or nuclear fallout. Indemnification may also be paid for cows producing such milk.

In 1998, an estimated \$585 thousand will be paid to producers and manufacturers who file claims under the program. The 1999 budget requests \$450 thousand for this program.

Object Classification (in millions of dollars)				
Identification code 12-1140-0-1-351	1997 actual	1998 est.	1999 est.	
25.3	Purchases of goods and services from Government accounts .....	221	220	220
41.0	Grants, subsidies, and contributions .....	320	115	119
99.9	Total obligations .....	541	335	339

AGRICULTURAL CREDIT INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)				
Identification code 12-4212-0-3-351	1997 actual	1998 est.	1999 est.	
Obligations by program activity:				
00.01	Direct loans .....	799	646	666
00.02	Advances on behalf of borrowers .....	7	4	4
00.04	Interest on Treasury borrowing .....	171	188	205
00.08	Subsidy reestimate paid to receipt account .....	124		

10.00	Total obligations .....	1,101	838	875
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance available, start of year:			
	Uninvested .....	288	139	120
22.00	New financing authority (gross) .....	952	819	855
23.90	Total budgetary resources available for obligation	1,240	958	975
23.95	New obligations .....	-1,101	-838	-875
24.40	Unobligated balance available, end of year:			
	Uninvested .....	139	120	100
<b>New financing authority (gross), detail:</b>				
67.15	Authority to borrow (indefinite) .....	770	632	634
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash) .....	818	590	621
68.10	Change in orders on hand from Federal sources	18	-3	
68.47	Portion applied to debt reduction .....	-654	-400	-400
68.90	Spending authority from offsetting collections (total) .....	182	187	221
70.00	Total new financing authority (gross) .....	952	819	855
<b>Change in unpaid obligations:</b>				
Unpaid obligations, start of year:				
72.40	Obligated balance: Uninvested .....	68	86	252
72.95	Receivables from program account .....		18	15
72.99	Total unpaid obligations, start of year .....	68	104	267
73.10	New obligations .....	1,101	838	875
73.20	Total financing disbursements (gross) .....	-1,065	-675	-675
Unpaid obligations, end of year:				
74.40	Obligated balance: Uninvested .....	86	252	452
74.95	Receivables from program account .....	18	15	15
74.99	Total unpaid obligations, end of year .....	104	267	467
87.00	Total financing disbursements (gross) .....	1,065	675	675
<b>Offsets:</b>				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal sources: Payments from program account .....	-217	-57	-57
88.25	Interest on uninvested funds .....	-68	-67	-66
Non-Federal sources:				
88.40	Repayments of principal .....	-451	-396	-423
88.40	Non-Federal sources .....	-82	-70	-75
88.90	Total, offsetting collections (cash) .....	-818	-590	-621
88.95	Change in receivables from program accounts .....	-18	3	
<b>Net financing authority and financing disbursements:</b>				
89.00	Financing authority .....	116	232	234
90.00	Financing disbursements .....	247	85	54

Status of Direct Loans (in millions of dollars)

Identification code 12-4212-0-3-351	1997 actual	1998 est.	1999 est.	
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans .....	799	646	666
1112	Unobligated direct loan limitation .....			
1150	Total direct loan obligations .....	799	646	666
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	2,026	2,258	2,419
1231	Disbursements: Direct loan disbursements .....	785	649	665
1251	Repayments: Repayments and prepayments .....	-533	-466	-498
1263	Write-offs for default: Direct loans .....	-20	-22	-22
1290	Outstanding, end of year .....	2,258	2,419	2,564

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including credit sales of acquired property that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

**Credit accounts—Continued**

**AGRICULTURAL CREDIT INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT—Continued**

This account finances direct loans for farm ownership, farm operating, emergency disaster, and credit sales of acquired property.

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

Identification code 12-4212-0-3-351	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
Investments in US securities:				
1106 Federal assets: Receivables, net .....	356	225	180	180
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	2,026	2,258	2,419	2,564
1402 Interest receivable .....	20	13	13	13
1403 Accounts receivable from foreclosed property .....	16	32	30	30
1405 Allowance for subsidy cost (-) .....	-551	-628		
1499 Net present value of assets related to direct loans .....	1,511	1,675	2,462	2,607
1999 Total assets .....	1,867	1,900	2,642	2,787
<b>LIABILITIES:</b>				
2103 Federal liabilities: Debt .....	1,850	1,885	2,627	2,772
2207 Non-Federal liabilities: Other .....	17	15	15	15
2999 Total liabilities .....	1,867	1,900	2,642	2,787
<b>NET POSITION:</b>				
3100 Appropriated capital .....				
3999 Total net position .....				
4999 Total liabilities and net position .....	1,867	1,900	2,642	2,787

**AGRICULTURAL CREDIT INSURANCE FUND GUARANTEED LOAN FINANCING ACCOUNT**

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

Identification code 12-4213-0-3-351	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Default claims .....	55	60	61
00.02 Interest assistance on guaranteed loans .....	37	60	60
00.04 Interest Payments to Treasury .....	4	5	2
00.05 Capital investments .....	8	8	8
00.07 Negative subsidy transferred to receipt account .....	101		
10.00 Total obligations .....	205	133	131
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	98	48	12
22.00 New financing authority (gross) .....	180	123	111
22.60 Redemption of debt .....	-25	-26	-25
23.90 Total budgetary resources available for obligation .....	253	145	98
23.95 New obligations .....	-205	-133	-131
24.40 Unobligated balance available, end of year:			
Uninvested .....	48	12	-33
<b>New financing authority (gross), detail:</b>			
67.15 Authority to borrow (indefinite) .....	52	35	33
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	128	88	78
70.00 Total new financing authority (gross) .....	180	123	111
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	144	163	203
73.10 New obligations .....	205	133	131
73.20 Total financing disbursements (gross) .....	-186	-93	-92
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	163	203	242
87.00 Total financing disbursements (gross) .....	186	93	92

**Offsets:**

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account .....	-98	-55	-44
88.25 Interest on uninvested funds .....	-17	-14	-15
88.40 Fees and premiums .....	-13	-19	-19
88.90 Total, offsetting collections (cash) .....	-128	-88	-78

**Net financing authority and financing disbursements:**

89.00 Financing authority .....	52	35	33
90.00 Financing disbursements .....	58	5	14

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

Identification code 12-4213-0-3-351	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	1,575	2,331	2,325
2150 Total guaranteed loan commitments .....	1,575	2,331	2,325
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	5,705	6,039	7,085
2231 Disbursements of new guaranteed loans .....	1,549	2,254	2,279
2251 Repayments and prepayments .....	-1,151	-1,208	-1,417
2263 Adjustments: Terminations for default that result in claim payments .....	-64		
2290 Outstanding, end of year .....	6,039	7,085	7,947
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	5,416	6,354	7,127

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances commitments made for farm ownership and operating guaranteed loan programs.

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

Identification code 12-4213-0-3-351	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	242	211	210	200
Investments in US securities:				
1106 Receivables, net .....				
1206 Non-Federal assets: Receivables, net .....				
1999 Total assets .....	242	211	210	200
<b>LIABILITIES:</b>				
Non-Federal liabilities:				
2201 Accounts payable .....	144	163	146	150
2203 Debt .....	15	42	26	1
2204 Liabilities for loan guarantees .....	83	6	38	49
2999 Total liabilities .....	242	211	210	200
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....				
3999 Total net position .....				
4999 Total liabilities and net position .....	242	211	210	200

**AGRICULTURAL CREDIT INSURANCE FUND LIQUIDATING ACCOUNT**

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

Identification code 12-4140-0-3-351	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
Capital investment:			
00.04 Purchase of guaranteed loans from investors .....	1	1	1
00.08 Loan recoverable costs .....	16	15	15

00.91	Total capital investment .....	17	16	16
<b>Operating expenses:</b>				
01.07	Loss settlement expenses on guaranteed loans .....	12	11	10
01.08	Administrative expenses—Department of Justice fees .....	1	1	1
01.09	Costs incident to acquisition of property .....	1	1	1
01.10	Undistributed charges .....	1	1	1
01.13	Interest assistance—guaranteed loans .....	1	1	1
01.17	Unclassified costs .....	2	2	2
01.91	Total operating expenses .....	17	17	15
10.00	Total obligations .....	34	33	31

**Budgetary resources available for obligation:**

21.40	Unobligated balance available, start of year: Uninvested .....	347	87	
22.00	New budget authority (gross) .....	29	120	32
22.10	Resources available from recoveries of prior year obligations .....	3		
22.40	Capital transfer to general fund .....	-345		
23.90	Total budgetary resources available for obligation .....	34	120	119
23.95	New obligations .....	-34	-33	-31
24.40	Unobligated balance available, end of year: Uninvested .....		87	87

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

67.15	Authority to borrow (indefinite) .....	29		
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash) .....	1,289	1,251	1,201
68.27	Capital transfer to general fund .....	-1,289	-1,131	-1,169
68.90	Spending authority from offsetting collections (total) .....		120	32
70.00	Total new budget authority (gross) .....	29	120	32

**Change in unpaid obligations:**

72.40	Unpaid obligations, start of year: Obligated balance: Uninvested .....	99	87	
73.10	New obligations .....	34	33	31
73.20	Total outlays (gross) .....	-43	-120	-32
73.45	Adjustments in unexpired accounts .....	-3		
74.40	Unpaid obligations, end of year: Obligated balance: Uninvested .....	87		

**Outlays (gross), detail:**

86.97	Outlays from new permanent authority .....		120	32
86.98	Outlays from permanent balances .....	43		
87.00	Total outlays (gross) .....	43	120	32

**Offsets:**

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Non-Federal sources:				
88.40	Rent on acquired property .....	-5	-5	-5
88.40	Guaranteed lns purchased from holders—principal .....	-1	-1	-1
88.40	Interest on loans .....	-456	-450	-400
88.40	Guaranteed loss recoveries .....	-1		
88.40	Loan repayments recd on behalf of investors .....	-1	-1	-1
88.40	Interest on judgments .....	-1	-1	-1
88.40	Repayments on loans—principal .....	-723	-700	-700
88.40	Judgments—principal .....	-11	-9	-9
88.40	Shared appreciation recapture .....	-6	-5	-5
88.40	Sale of acquired property/chattels .....	-93	-75	-75
88.40	Miscellaneous income .....		-1	-1
88.40	Undistributed receipts .....	9	-3	-3
88.90	Total, offsetting collections (cash) .....	-1,289	-1,251	-1,201

**Net budget authority and outlays:**

89.00	Budget authority .....	-1,260	-1,131	-1,169
90.00	Outlays .....	-1,246	-1,131	-1,169

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

Identification code 12-4140-0-3-351		1997 actual	1998 est.	1999 est.
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	8,783	7,709	6,725
1232	Disbursements: Purchase of loans assets from the public .....	1	1	1
1251	Repayments: Repayments and prepayments .....	-720	-707	-706

1261	Adjustments: Capitalized interest .....	56	55	54
Write-offs for default:				
1263	Direct loans .....	-370	-300	-300
1264	Other adjustments, net <sup>1</sup> .....	-41	-33	-30
1290	Outstanding, end of year .....	7,709	6,725	5,744

<sup>1</sup> Amounts shown are based on payment of delinquent installments, advances on behalf of borrowers, acquired property and chattels, loans in kind, and judgments.

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

Identification code 12-4140-0-3-351		1997 actual	1998 est.	1999 est.
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	1,173	992	830
2231	Disbursements of new guaranteed loans .....	1	1	1
2251	Repayments and prepayments .....	-168	-150	-150
Adjustments:				
2263	Terminations for default that result in claim payments .....	-14	-13	-12
2264	Other adjustments, net .....			
2290	Outstanding, end of year .....	992	830	669
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	893	747	602

As required by the Federal Credit Reform Act of 1990, this account records for the farm loan programs all cash flows to and from the Government resulting from direct loans obligated, loan guarantees committed, and grants made prior to 1992. New loan activity in 1992 and beyond (including credit sales of acquired property that resulted from obligations or commitments in any year) is recorded in corresponding program and financing accounts.

**Statement of Operations (in millions of dollars)**

Identification code 12-4140-0-3-351		1996 actual	1997 actual	1998 est.	1999 est.
0101	Revenue .....	437	561	451	423
0102	Expense .....	-1,704	532	1,020	1,020
0109	Net income or loss (-) .....	-1,267	1,093	1,471	1,443

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

Identification code 12-4140-0-3-351		1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>					
1101	Federal assets: Fund balances with Treasury .....	446	59	50	50
1206	Non-Federal assets: Receivables, net .....				
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross .....	8,783	7,709	6,725	5,744
1602	Interest receivable .....	414	425	450	538
1603	Allowance for estimated uncollectible loans and interest (-) .....	-2,474	-1,537	-1,500	-1,000
1604	Direct loans and interest receivable, net .....	6,723	6,597	5,675	5,282
1606	Foreclosed property .....	267	187	179	174
1699	Value of assets related to direct loans .....	6,990	6,784	5,854	5,456
1901	Other Federal assets: Other assets .....				
1999	Total assets .....	7,436	6,843	5,904	5,506
<b>LIABILITIES:</b>					
Federal liabilities:					
2102	Interest payable .....				
2103	Debt .....				
2104	Resources payable to Treasury .....	7,084	5,654	5,500	5,000
Non-Federal liabilities:					
2201	Accounts payable .....	89	78	75	70
2202	Interest payable .....				
2203	Debt .....	2	2	2	2
2204	Liabilities for loan guarantees .....	207	172	200	200
2207	Other .....	54	46	45	45
2999	Total liabilities .....	7,436	5,952	5,822	5,317

**Credit accounts—Continued**

**AGRICULTURAL CREDIT INSURANCE FUND LIQUIDATING ACCOUNT—Continued**

**Balance Sheet** (in millions of dollars)—Continued

Identification code 12-4140-0-3-351	1996 actual	1997 actual	1998 est.	1999 est.
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....		891	82	189
3999 Total net position .....		891	82	189
4999 Total liabilities and net position .....	7,436	6,843	5,904	5,506

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

Identification code 12-4140-0-3-351	1997 actual	1998 est.	1999 est.
25.2 Other services .....	4	5	4
33.0 Investments and loans .....	29	27	26
43.0 Interest and dividends .....	1	1	1
99.9 Total obligations .....	34	33	31

**NATURAL RESOURCES CONSERVATION SERVICE**

**CONSERVATION OPERATIONS**

For necessary expenses for carrying out the *programs administered by the Natural Resources Conservation Service, including the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f) including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); administration of research, investigation, and surveys of watersheds of rivers and other waterways, for small watershed investigations and planning, and for technical assistance to carry out preventive measures, in accordance with the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001-1009) and the Flood Control Act (33 U.S.C. 701); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands, water, and interests therein for use in the plant materials program by donation, exchange, or purchase at a nominal cost not to exceed \$100 pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, [\$633,231,000] \$742,231,000, to remain available until expended (7 U.S.C. 2209b), of which not less than [\$5,835,000] \$5,990,000 is for snow survey and water forecasting and not less than [\$8,825,000] [\$7,000,000] \$7,825,000 is for operation and establishment of the plant materials centers: *Provided further, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for construction and improvement of buildings and public improvements at plant materials centers, except that the cost of alterations and improvements to other buildings and other public improvements shall not exceed \$250,000: Provided further, That when buildings or other structures are erected on non-Federal land, that the right to use such land is obtained as provided in 7 U.S.C. 2250a: Provided further, That this appropriation shall be available for technical assistance and related expenses to carry out programs authorized by section 202(c) of title II of the Colorado River Basin Salinity Control Act of 1974 (43 U.S.C. 1592(c)): Provided further, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 [(16 U.S.C. 590a-f)] in demonstration projects: Provided further, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) and not to exceed \$25,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service (16 U.S.C. 590e-2): Provided further, That the Secretary is authorized to transfer ownership of land, buildings and related improvements of the plant materials facilities located at Bow, Washington, to the Skagit Conservation District].**

**[WATERSHED SURVEYS AND PLANNING]**

**[For necessary expenses to conduct research, investigation, and surveys of watersheds of rivers and other waterways, and for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954 (16 U.S.C. 1001-1009), \$11,190,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$110,000 shall be available for employment under 5 U.S.C. 3109.] (7 U.S.C. 2201-02; 16 U.S.C. 1101-5; 33 U.S.C. 7016-11; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)**

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

Identification code 12-1000-0-1-300	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
<b>Direct program:</b>			
00.01 Technical Assistance .....	525	548	579
00.02 Soil Surveys .....	75	78	78
00.03 Snow Survey and Water Forecasting .....	5	6	6
00.04 Plant Materials Centers .....	8	10	8
00.05 Water Resource Assistance .....	12	11	71
00.91 Total direct program .....	625	653	742
09.00 Reimbursable program .....	107	123	120
10.00 Total obligations .....	732	776	862

**Budgetary resources available for obligation:**

21.40 Unobligated balance available, start of year:			
Uninvested .....	3	9	
22.00 New budget authority (gross) .....	740	766	862
23.90 Total budgetary resources available for obligation	743	775	862
23.95 New obligations .....	-732	-776	-862
24.40 Unobligated balance available, end of year:			
Uninvested .....	9		

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

<b>Current:</b>			
40.00 Appropriation .....	633	644	742
41.00 Transferred to other accounts .....		-1	
43.00 Appropriation (total) .....	633	644	742
<b>Permanent:</b>			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	107	123	120
70.00 Total new budget authority (gross) .....	740	766	862

**Change in unpaid obligations:**

72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	110	98	97
73.10 New obligations .....	732	776	862
73.20 Total outlays (gross) .....	-744	-777	-849
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	98	97	110

**Outlays (gross), detail:**

86.90 Outlays from new current authority .....	551	568	653
86.93 Outlays from current balances .....	85	87	76
86.97 Outlays from new permanent authority .....	107	123	120
87.00 Total outlays (gross) .....	744	777	849

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	-90	-110	-103
88.40 Non-Federal sources .....	-17	-13	-17
88.90 Total, offsetting collections (cash) .....	-107	-123	-120

**Net budget authority and outlays:**

89.00 Budget authority .....	633	643	742
90.00 Outlays .....	637	654	729

**Distribution of budget authority by account:**

Conservation operations .....	620	633	742
Watershed surveys and planning .....	12	11	

**Distribution of outlays by account:**

Conservation operations .....	624		
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Watershed surveys and planning ..... 13 .....

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	1997 actual	1998 est.	1999 est.
Enacted/requested:			
Budget Authority .....	633	644	742
Outlays .....	636	655	729
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			
Outlays .....			
Total:			
Budget Authority .....	633	644	742
Outlays .....	636	655	729

Funding within this account for partnership grants is proposed as part of the Environmental Resources Fund for America. This proposal highlights the Administration's priority to provide deficit neutral funding for investments in many of our Nation's key environmental programs. A discussion of the Environmental Resources Fund for America and two other funds for research and transportation can be found in Chapter 2 of the Budget.

Competitive Partnership Grants (\$20 million) will be used to enhance institutional capacity for locally-based institutions, including watershed councils, cooperatives, etc. In particular, funds would be directed for hiring non-federal watershed coordinators. These coordinators would: develop watershed partnerships, including all stakeholders in the area; resolve differences from among the different points of view and produce and help implement strategic plans that restore impaired watersheds. Non-Federal local coordinators act as facilitators, mediators, and grant application writers. Funds available are sufficient for over 350 watersheds selected through an inter-agency review process; however local entities may receive a preference in competing for funding where their States have prepared memoranda of understanding (MOU) for coordinating with Federal government to ensure reduced overlap, and greater efficiency and customer service, with the goal of one-stop shopping for landowners. Up to 10 percent of available funds may be used for developing MOUs among States and Federal agencies. In addition, \$3 million is available for environmental monitoring and research work.

*Technical assistance.*—Technical assistance is provided through 2,955 conservation districts or special districts to land users and decisionmakers, including individual landowners and operators, community groups, units of government, Indian tribes, and others for the planning of conservation programs and installation of needed conservation systems on the land, including design, layout, installation, and consultation services.

*Administrative Convergence.*—The Department is coordinating the functions and personnel of the different field agencies to provide a more seamless and efficient delivery system. By 2002, the proposal would result in a 22 percent reduction in administrative staffing from 1997. Savings by 2002 would equal \$127 million a year. Progress in 1999 would be indicated by the creation of a Support Services Bureau reflecting a new entity made by consolidating the agencies administrative units, both at the National level and in each State.

An additional \$20 million is provided to encourage additional contributions from the States. This bonus fund will act as an incentive payment to reward those States that either increase the non-Federal contributions and/or that achieve a minimum level of contributions toward conservation efforts. The point is to elicit both greater contributions and to harmonize the contributions from all. By leveraging these incentive payments, conservation funds in total can be increased. \$10 million of the total funds would be rewarded to States to use for Geographic Information Systems and digital orthophotos purchases.

**MAIN WORKLOAD FACTORS**

	1997 est.	1998 est.	1999 est.
Decisionmakers receiving technical services .....	740,377	750,000	750,000
Onsite technical and informational assistance .....	340,000	375,000	400,000
Acres treated with conservation technical assistance	110,052,019	121,000,000	131,000,000

Also included in this item are the inventory and monitoring, resource appraisal, and program development activities. Resource inventories are conducted to provide soil, water, and related resource data for evaluating land-use changes and trends; and for guidance in the development and implementation of Federal, State, and local resource conservation programs. Resource appraisal and program development provides for periodic reports to the public and Congress as required by the Soil and Water Resources Conservation Act of 1977 as amended. In addition, NRCS has responsibilities for easement administration and monitoring for all the Wetland Reserve Program acres enrolled in the program to date where the landowner has opted for a conservation easement.

Technical assistance will be targeted beginning in 1998 through the use of area-wide watershed plans to achieve the goals of the Government Performance and Results Act. \$7 million is provided for additional watershed planning, and river basin surveys and investigations to provide technical support and leadership for the efforts of locally-led watershed coalitions nation-wide. With useful watershed or basin level plans, NRCS will be better equipped to direct its financial and technical resources to the highest priority needs, and community members can understand the alternatives available to repair a damaged watershed. With a watershed plan, community members will be in a position to seek funding to implement the plan from a range of sources, including other Federal agencies, State entities and the private sector. In addition, NRCS staff will continue to target their expertise, emphasizing setting standards and providing certification, rather than directly implementing most activities themselves (in National Performance Review parlance, "steering", rather than "rowing").

*Soil surveys.*—Soil surveys and investigations are made of the Nation's soil resources, with interpretations and publications that provide physical land facts needed for program development, resource conservation planning, installation of planned practices, and for use by other Federal, State, and local agencies in making land-use decisions. National leadership is provided for digitizing soil surveys in cooperation with States, and other users of soil survey data. Legislation requires that "a substantial portion of the survey costs for NRCS are to be reimbursed by survey recipients."

**MAIN WORKLOAD FACTORS**

	1997 actual	1998 est.	1999 est.
Acres mapped annually (millions) .....	23	23	23
Soil surveys ready for publication (number) .....	64	75	75

*Snow survey water forecasting.*—Water supply forecasts prepared from snow surveys in western states are used in making efficient seasonal use of water for irrigation, flood control, fish and wildlife, recreation, power generation, municipal and industrial water supply, and water quality management.

*Operation of plant materials centers.*—The selection and evaluation of plant materials are made at 26 plant materials centers through field trials to determine their suitability for erosion control, conservation, and other environmental improvements. Native plant species will be preferred and exotic species introductions phased out for this program. Requested funding for the Plant Materials Centers is reduced in 1999 reflecting both the fact that previous increases to upgrade the infrastructure are no longer needed, and reflecting the opportunities by the Centers to increase their revenues from the collection of royalties from the commercial production of cultivars developed by PMC.

[WATERSHED SURVEYS AND PLANNING]—Continued

*Water Resource Assistance.*—The Department cooperates with other agencies and the States in planning small watersheds to reduce the damage from floodwater, sediment, agricultural run-off, and erosion and for the conservation, development, utilization, and disposal of water. Program activities will be accelerated for high priority natural resource concerns such as: water quality and wetlands restoration. This account will be used to develop plans to target agency resources to achieve the goals of the Government Performance and Results Act. Additional funding of \$7 million has been proposed for 1999 to enhance the technical support for River Basin Surveys and Watershed Planning.

Technical assistance of \$52.4 million is proposed for watershed project design and implementation to assist States and their political subdivisions and other localities to reduce damage from floodwater, sediment, and erosion, for the conservation, development, utilization, and disposal of water, and for conservation and proper utilization of lands. This technical assistance will be coupled with the financial assistance included in the Watershed and Flood Prevention operations account. Technical assistance was displayed directly in Watershed and Flood Prevention operations account in previous years.

The Department makes surveys of proposed small watershed projects, and work plans are prepared in cooperation with local sponsors. These plans outline the soil and water management problems in the watershed, the steps that have been or are authorized to be taken to alleviate these problems, the proposed works of improvement to be installed, the estimated benefits and costs, cost sharing, operation and maintenance arrangements, and other information necessary to justify Federal participation in project development. Watershed planning will emphasize water quality protection and improvement. This emphasis will better enable States to focus on watersheds in fulfilling the requirements of the Clean Water Act and in maintaining clean water. Program activities will be accelerated for high priority natural resource concerns such as: water quality and wetlands restoration. \$1 million is provided for educational assistance for notifying watershed sponsors about the need to examine and possibly repair older systems. However, as these systems are owned by local sponsors, inspections of the dams can be carried out by private engineers or NRCS staff on a reimbursable basis.

**MAIN WORKLOAD FACTORS**

Activity:	1997 actual	1998 est.	1999 est.
Applications for planning assistance on Small Watershed Program—eligible projects; on hand, cumulative, start of year .....	200	190	180
Status of planning:			
Approved for planning during year .....	15	15	15
Locally implemented .....	(3)	(3)	(3)
Federally implemented .....	(12)	(12)	(12)
Planning completed during year .....	11	8	6
Locally implemented .....	(1)	(2)	(2)
Federally implemented .....	(10)	(6)	(4)
Planning in process .....	88	80	75
Locally implemented .....	(29)	(25)	(20)
Federally implemented .....	(59)	(55)	(55)
Status of projects in operations:			
Active projects .....	522	513	513
Approved for operations during year .....	10	8	6
USDA Cooperative Studies:			
(1) Surveys in progress, start of year .....	125	120	115
(2) Surveys initiated during year .....	4	2	2
(3) Surveys worked during year .....	129	122	117
(4) Surveys completed during year .....	13	10	10
(5) Surveys in progress, end of year .....	116	112	107
Flood Plain Management Assist. Program:			
(1) States involved .....	26	26	26
(2) Completed studies .....	6	10	10
(3) Ongoing studies .....	54	44	34
(4) Cumulative total completed .....	599	609	619

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

Identification code 12-1000-0-1-300	1997 actual	1998 est.	1999 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	349	356	391
11.3 Other than full-time permanent .....	12	13	13
11.5 Other personnel compensation .....	5	6	7
11.9 Total personnel compensation .....	366	375	411
12.1 Civilian personnel benefits .....	86	93	105
13.0 Benefits for former personnel .....	4	5	4
21.0 Travel and transportation of persons .....	16	16	18
22.0 Transportation of things .....	3	3	3
23.2 Rental payments to others .....	11	11	13
23.3 Communications, utilities, and miscellaneous charges .....	20	21	22
24.0 Printing and reproduction .....	5	5	5
25.2 Other services .....	80	90	124
26.0 Supplies and materials .....	15	15	16
31.0 Equipment .....	19	19	21
99.0 Subtotal, direct obligations .....	625	653	742
99.0 Reimbursable obligations .....	107	123	120
99.9 Total obligations .....	732	776	862

**Personnel Summary**

Identification code 12-1000-0-1-300	1997 actual	1998 est.	1999 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment .....	8,535	8,611	9,051
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment .....	1,599	1,577	1,681

**CONSERVATION OPERATIONS**

(Legislative proposal, not subject to PAYGO)

*Upon enactment of authorization of a fee to cover the costs of providing technical assistance and products for natural resource conservation, such fees shall be collected and credited to this account as offsetting collections, to remain available until expended for the purpose of providing similar technical assistance and products.*

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

Identification code 12-1000-2-1-300	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
09.00 Reimbursable Program: Technical assistance cost-share .....			10
10.00 Total obligations .....			10
Budgetary resources available for obligation:			
22.00 New budget authority (gross) .....			10
23.95 New obligations .....			-10
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....			10
Change in unpaid obligations:			
73.10 New obligations .....			10
73.20 Total outlays (gross) .....			-10
Outlays (gross), detail:			
86.97 Outlays from new permanent authority .....			10
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....			-10
Net budget authority and outlays:			
89.00 Budget authority .....			
90.00 Outlays .....			

For 1999, NRCS is proposing to collect \$10 million in user fees for certain types or areas of technical services and products. Examples of potential user fee activities include technical assistance services for conservation practice applications which exceed an extended period of NRCS employee time, sale of foundation seeds and plants, sale of soil survey and snow survey data products, and for those technical services available through the private sector for which there is little "public good" from government provision (e.g., engineering designs, soil map interpretations for commercial and urban uses, and some irrigation management). The proposed user fee activities, including appropriate fee structure and application, will be developed through the use of agency work groups. Through proposed legislation, it is anticipated that the fees collected will be deposited into the conservation operations account and remain available until expended.

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

Identification code 12-1000-2-1-300	1997 actual	1998 est.	1999 est.
99.0 Reimbursable obligations: Subtotal, reimbursable obligations .....			10
99.9 Total obligations .....			10

**Personnel Summary**

Identification code 12-1000-2-1-300	1997 actual	1998 est.	1999 est.
2001 Total compensable workyears: Full-time equivalent employment .....			133

**WATERSHED AND FLOOD PREVENTION OPERATIONS**

For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954 (16 U.S.C. 1001-1005, 1007-1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and in accordance with the provisions of laws relating to the activities of the Department, **[\$101,036,000] \$49,000,000**, to remain available until expended (7 U.S.C. 2209b) [(of which up to \$15,000,000 may be available for the watersheds authorized under the Flood Control Act approved June 22, 1936 (33 U.S.C. 701, 16 U.S.C. 1006a)): *Provided*, That not to exceed \$50,000,000 of this appropriation shall be available for technical assistance: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$200,000 shall be available for employment under 5 U.S.C. 3109] *Provided*, That funds for the cost of direct loans may be transferred to the Rural Utilities Service for rural water and waste disposal projects, and rural development projects as authorized by 7 U.S.C. 1926, 1928, and 1932 and approved under the Watershed and Flood Prevention Act: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed \$300,000,000: *Provided further*, That not to exceed \$1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93-205), including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction. (7 U.S.C. 2201-02; 33 U.S.C. 701b-1, 701b-11; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)

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

Identification code 12-1072-0-1-301	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Watershed Operations (P.L. 534) .....	16	9	
00.03 Emergency Watershed Protection Operations .....	122	181	

00.04 Small Watershed Operations (P.L. 566) .....	87	100	49
00.91 Total direct program .....	225	290	49
09.01 Reimbursable program .....	20	30	24
10.00 Total obligations .....	245	320	73

**Budgetary resources available for obligation:**

21.40 Unobligated balance available, start of year:			
Uninvested .....	85	189	
22.00 New budget authority (gross) .....	350	131	73
23.90 Total budgetary resources available for obligation	435	320	73
23.95 New obligations .....	-245	-320	-73
24.40 Unobligated balance available, end of year:			
Uninvested .....	189		

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

<b>Current:</b>			
40.00 Appropriation .....	101	101	49
40.15 Appropriation (emergency) .....	229		
43.00 Appropriation (total) .....	330	101	49
<b>Permanent:</b>			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	20	30	24
70.00 Total new budget authority (gross) .....	350	131	73

**Change in unpaid obligations:**

72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	181	171	125
73.10 New obligations .....	245	320	73
73.20 Total outlays (gross) .....	-255	-366	-92
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	171	125	106

**Outlays (gross), detail:**

86.90 Outlays from new current authority .....	112	59	15
86.93 Outlays from current balances .....	123	277	53
86.97 Outlays from new permanent authority .....	20	30	24
87.00 Total outlays (gross) .....	255	366	92

**Offsets:**

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-4	-6	-6
88.40 Non-Federal sources .....	-16	-24	-18
88.90 Total, offsetting collections (cash) .....	-20	-30	-24

**Net budget authority and outlays:**

89.00 Budget authority .....	330	101	49
90.00 Outlays .....	235	336	68

These programs provide for cooperation between the Federal Government and States and their political subdivisions to reduce damage from floodwater, sediment, and erosion, for the conservation, development, utilization, and disposal of water, and for the conservation and proper utilization of land. Funds in Watershed and Flood Prevention Operations could be used for either flood prevention projects or flood damage rehabilitation efforts, depending upon the needs and opportunities. Technical assistance expenses for the program (\$50 million) will be included as part of Conservation Operations beginning in 1999.

*Watershed operations authorized by Public Law 534.*—The Department cooperates with soil conservation districts and other local organizations in planning and installing works of improvement for flood prevention in 11 watersheds authorized by the Flood Control Act of 1944. The Federal Government shares the cost of works of improvement for flood prevention, agricultural water management, recreation, and fish and wildlife development. No funds are directly proposed for this activity; however, worthwhile projects, those with high net social benefits and environmental objectives consistent with current Administrations priorities, can be continued under the Small Watershed Operations authorized by Public Law 566.

WATERSHED AND FLOOD PREVENTION OPERATIONS—Continued

Within the 11 authorized projects, 395 subwatershed areas have been identified for planning purposes. Installation progress in these subwatersheds is as follows:

MAIN WORKLOAD FACTORS

	1997 actual	1998 est.	1999 est.
Active subwatersheds .....	96	96	96
Projects continuing post-installation assistance .....	224	224	224
Total operational subwatersheds .....	320	320	320
Unserviced applications .....	23	23	23
Planning in progress .....	24	24	24
Terminated in planning .....	7	7	7
Total subwatersheds .....	395	395	395

**Emergency watershed protection operations.**—This program authorizes the Secretary of Agriculture to undertake such emergency measures for runoff retardation and soil erosion prevention as may be needed to safeguard life and property from floods and the products of erosion on any watershed whenever natural elements or forces cause a sudden impairment of that watershed. An emergency is considered to exist when a watershed is suddenly impaired by flood, fire, wind, earthquake, or other natural cause and consequently life and property are endangered by floodwater, erosion, or sediment discharge. The emergency area need not be declared a national disaster area to be eligible for emergency watershed protection. Emergency watershed protection is applicable to small scale, localized disasters as well as large scale disasters. State environmental, natural resource, fish and game, and other agencies participate in planning and coordinating emergency work.

**Small watershed operations authorized by Public Law 566.**—The Department provides technical and financial assistance to local organizations to install measures for watershed protection, flood prevention, agricultural water management, recreation, and fish and wildlife enhancement. Expenses for technical assistance will be displayed as part of the Conservation Operations account beginning in 1999. Significant reforms were begun in 1997 to make this program environmentally beneficial, with high returns to society resulting from the investment. High priority P.L. 534 projects will be eligible to compete for funding for P.L. 566 funding.

Watershed work plans are prepared by sponsoring local organizations with the Department's assistance or through State and local resources. After work plans are approved by the Department or Congress (projects where the estimated Federal contribution will exceed \$5 million require congressional approval), financial assistance is provided for specific works of improvements.

The following tabulation shows the status of Public Law 566 projects:

MAIN WORKLOAD FACTORS

	1997 actual	1998 est.	1999 est.
Status of operational projects:			
Projects receiving land treatment .....	182	190	198
Structural projects .....	281	275	272
Land treatment and structural .....	59	48	43
Subtotal active projects .....	522	513	513
Projects continuing post-installation assistance .....	898	903	908
Inactive projects .....	14	14	14
Completed projects .....	27	28	29
Deauthorized projects .....	153	153	153
Total operational projects .....	1,614	1,622	1,628
New projects approved during year .....	10	8	6

**Loan Services.** In 1999, local sponsors will have an alternative funding source to finance their projects. For projects that produce rural water supply or primarily offer rural devel-

opment benefits, direct federal loans may be a useful and appropriate alternative. Approved Public Law 566 and 534 projects may immediately receive loans through Rural Development (particularly the water and waste loans) to complete their projects. Public Law 566 financial assistance would be transferred to the Rural Utilities Service and other rural development agencies to fund loans for new and existing Small Watershed Projects. These loans are subsidized depending upon the wealth of the community. In this fashion, the loans differ from the previous loans offered through the Agricultural Credit Insurance Fund. If \$15 million were used as subsidy costs for loans, USDA could offer an estimated \$155 million in loans to implement roughly 75 projects.

Loans through the Agricultural Credit Insurance Fund have been made in previous years to the local sponsors in order to fund the local cost of Public Law 566 or 534 projects. No funding for these loans is assumed in 1999.

Object Classification (in millions of dollars)

Identification code 12-1072-0-1-301	1997 actual	1998 est.	1999 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	49	51	
11.3 Other than full-time permanent .....	1	1	
11.5 Other personnel compensation .....	3	4	
Total personnel compensation .....	53	56	
12.1 Civilian personnel benefits .....	11	12	
13.0 Benefits for former personnel .....	1	1	
21.0 Travel and transportation of persons .....	3	4	
23.2 Rental payments to others .....	2	2	
23.3 Communications, utilities, and miscellaneous charges .....	2	2	
Other services:			
25.2 Other services .....	11	11	
25.2 Other services .....	74	107	23
26.0 Supplies and materials .....	2	2	
31.0 Equipment .....	4	4	
32.0 Land and structures .....	17	27	
41.0 Grants, subsidies, and contributions .....	43	61	26
99.0 Subtotal, direct obligations .....	223	289	49
99.0 Reimbursable obligations .....	20	29	24
Allocation Account:			
11.1 Personnel compensation: Full-time permanent .....	1		
25.2 Other services .....	1		
99.0 Subtotal, allocation account .....	2		
99.5 Below reporting threshold .....		2	
99.9 Total obligations .....	245	320	73

Personnel Summary

Identification code 12-1072-0-1-301	1997 actual	1998 est.	1999 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment .....	1,198	916	
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment .....	16	43	

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1010-1011; 76 Stat. 607), the Act of April 27, 1935 (16 U.S.C. 590a-f), and the Agriculture and Food Act of 1981 (16 U.S.C. 3451-3461), \$34,377,000, to remain available until expended (7 U.S.C. 2209b): *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$50,000 shall be available for employment under 5 U.S.C. 3109. (7 U.S.C. 2201-02; 33 U.S.C. 701b-11; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)

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

Identification code 12-1010-0-1-300	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.02 Direct program: Technical assistance .....	29	34	34
09.01 Reimbursable program .....	1	1	1
10.00 Total obligations .....	30	35	35
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	1		
22.00 New budget authority (gross) .....	29	35	35
23.90 Total budgetary resources available for obligation	30	35	35
23.95 New obligations .....	-30	-35	-35
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	29	34	34
Permanent:			
68.00 Spending authority from offsetting collections: Off-			
setting collections (cash) .....	1	1	1
70.00 Total new budget authority (gross) .....	30	35	35
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	6	6	6
73.10 New obligations .....	30	35	35
73.20 Total outlays (gross) .....	-30	-35	-35
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	6	6	6
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	26	31	31
86.93 Outlays from current balances .....	3	3	3
86.97 Outlays from new permanent authority .....	1	1	1
87.00 Total outlays (gross) .....	30	35	35
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal			
sources .....	-1	-1	-1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	28	34	34
90.00 Outlays .....	29	34	34

Under this program, the Department assists States, local units of government, groups and individuals in developing area plans for resource conservation and development (RC and D).

RC and D areas are provided technical assistance to help States and local units of government prepare plans for resource development and economic improvement and to plan and install community-type conservation projects or measures. Financial contributions, loans, and other Federal assistance may be used to help carry out measures specified in RC and D area plans. Loans are made through the farm loan program of the Farm Service Agency, formerly the Farmers Home Administration, to qualified local organizations to help finance their share of the costs of installing the measures. No loans are assumed in 1999. Program financial resources are focused on the RC and D coordinators who assist the local area councils. These coordinators help the area councils develop plans and proposals to compete for financial assistance from other Federal, State and private sources.

A portion of 1999 funding in 1999 may be used as bonus payments for those districts that best advance NRC conservation strategic goals.

The following tabulation shows the status of RC and D areas authorized to receive technical and financial assistance.

**MAIN WORKLOAD FACTORS**

	1997 actual	1998 est.	1999 est.
Areas authorized at beginning of year .....	289	290	315

Areas authorized at end of year .....	290	315	315
Project plans written .....	2,752	2,750	2,750
Projects being implemented .....	2,525	2,700	2,700
Projects completed .....	2,514	2,300	2,300

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

Identification code 12-1010-0-1-300	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	16	19	19
11.3 Other than full-time permanent .....	1	1	1
11.9 Total personnel compensation .....	17	20	20
12.1 Civilian personnel benefits .....	4	4	4
21.0 Travel and transportation of persons .....	1	1	1
23.3 Communications, utilities, and miscellaneous			
charges .....	1	2	2
25.2 Other services .....	4	5	5
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1	1	1
99.0 Subtotal, direct obligations .....	29	34	34
99.0 Reimbursable obligations .....	1	1	1
99.9 Total obligations .....	30	35	35

**Personnel Summary**

Identification code 12-1010-0-1-300	1997 actual	1998 est.	1999 est.
<b>Direct:</b>			
1001 Total compensable workyears: Full-time equivalent			
employment .....	392	420	420
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent			
employment .....	3	5	5

**GREAT PLAINS CONSERVATION PROGRAM**

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

Identification code 12-2268-0-1-302	1997 actual	1998 est.	1999 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....		1	
24.40 Unobligated balance available, end of year:			
Uninvested .....	1		
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	22	17	13
73.20 Total outlays (gross) .....	-5	-4	-3
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	17	13	10
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	5	4	3
87.00 Total outlays (gross) .....	5	4	3
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	5	4	3

The 1996 Farm Bill combined the authority for this and several other conservation programs into the Environmental Quality Incentives Program. Prior-year account balances are maintained in this account until expended.

This program provides cost-share assistance to participating landowners or operators in the Great Plains area in the development and installation of long-term conservation plans and practices for their land under contracts entered into in prior years. It is a voluntary program in 556 designated counties of 10 Great Plains States. Contracts with individual landowners range in time from 3 to 10 years.

GREAT PLAINS CONSERVATION PROGRAM—Continued

MAIN WORKLOAD FACTORS

Program participants:	1997 actual	1998 est.	1999 est.
Number of contracts serviced during year .....	5,846	4,076	2,876
Number of acres under contracts .....	16,000,000	12,760,000	9,860,000

As of September 30, 1997, there were 4,076 active contracts on hand. Co-landowners or operators finance the entire cost of installing recurring management-type practices and pay a specified part of the cost-shared practices installed on their land. Program regulations provide that cost-share rates offered in any contract shall not exceed 80 percent of the cost of installing eligible practices within the designated county. There is a cost-sharing limitation of \$35 thousand for any contract.

Personnel Summary

Identification code 12-2268-0-1-302	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	6		

【FORESTRY INCENTIVES PROGRAM】

【For necessary expenses, not otherwise provided for, to carry out the program of forestry incentives, as authorized in the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101), including technical assistance and related expenses, \$6,325,000, to remain available until expended, as authorized by that Act.】 (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 12-3336-0-1-302	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations .....	7	6	
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	6	6	
23.95 New obligations .....	-7	-6	
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	6	6	
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	11	12	12
73.10 New obligations .....	7	6	
73.20 Total outlays (gross) .....	-6	-6	-5
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	12	12	7
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	2	3	
86.93 Outlays from current balances .....	4	3	5
87.00 Total outlays (gross) .....	6	6	5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	6	6	
90.00 Outlays .....	6	6	5

No funds are proposed for the Forestry Incentives Program (FIP). The FIP was authorized by the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101). The objectives of the program are to bring private, nonindustrial forest land under improved management, to increase timber production, to ensure adequate supplies of timber products, and to enhance other forest resources. FIP promotes timber production on private lands and is incompatible with the agency strategic plan, which is focused on water quality and habitat goals. If FIP were aimed at environmental improvements, the tree species selected would be chosen to maximize rare native habitats, not timber production. Other programs can offer

assistance more appropriate (e.g., habitat creation) for the Natural Resources Conservation Service (NRCS). Timber production is otherwise the responsibility of the Forest Service. In addition, in selecting sites for cost-share assistance, the program predominantly selected plots that would have made the forest stand improvement or plantings without Federal assistance.

FIP shares up to 65 percent of the cost of tree planting and timber stand improvement. The percentage cost-shared depends on the rate set in a particular State and county by NRCS, after consulting with the State forester. The program is available in designated counties based on a Forest Service survey of total eligible private timberland available for production of timber products. Technical assistance is provided by Forest Service.

The 1997 program provided funding for 149,503 acres of tree planting, and 33,725 acres in timber stand improvements, and 2,647 acres targeted towards special forestry and site preparation.

Object Classification (in millions of dollars)

Identification code 12-3336-0-1-302	1997 actual	1998 est.	1999 est.
25.2 Other services .....	1		
41.0 Grants, subsidies, and contributions .....	6	6	
99.9 Total obligations .....	7	6	

WATER BANK PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3320-0-1-302	1997 actual	1998 est.	1999 est.
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	40	30	22
73.20 Total outlays (gross) .....	-10	-8	-6
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	30	22	16
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	10	8	6
87.00 Total outlays (gross) .....	10	8	6
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	10	8	6

The objectives of the Water Bank Program are to conserve water; preserve, maintain, and improve the Nation's wetlands; increase waterfowl habitat in migratory waterfowl nesting, breeding, and feeding areas in the United States; and secure recreational and environmental benefits for the Nation. The program was authorized by the Water Bank Act of 1970, as amended by Public Law 96-182, approved January 2, 1980. The Water Bank Extension Act of 1994 extends for one year 1985 agreements entered into under the Water Bank Act of 1970, and due to expire on December 31, 1995. Funding for the expiring 1985 Water Bank agreements were transferred from the Wetlands Reserve Program 1995 appropriation to this account as authorized under the Water Bank Extension Act of 1994. Congress did not provide funding for this account in 1998. For 1999, USDA does not request program funding.

Under the Water Bank Program, the Secretary of Agriculture, through designated county offices, uses program funds to enter into 10-year agreements with landowners and operators for the conservation of specified wetlands. Provisions exist to renew agreements for additional periods, to make annual payments on agreements, and under certain conditions to increase payment rates in the fifth year of a

contract or at the time of renewal. During the period of the agreement, the landowner agrees not to drain, burn, fill, or otherwise destroy the wetland character of such areas.

**COLORADO RIVER BASIN SALINITY CONTROL PROGRAM**

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

Identification code 12-3318-0-1-304	1997 actual	1998 est.	1999 est.
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	8	5	1
73.20 Total outlays (gross) .....	-3	-4	-1
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	5	1	
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	3	4	1
87.00 Total outlays (gross) .....	3	4	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	3	4	1

The Colorado River Basin Salinity Control Program (CRBSC), was authorized under section 202(c) of Title II of the Colorado River Basin Salinity Control Act, as amended by section 334, subtitle D, Title III of the Federal Agriculture Improvement Act of 1996. The FAIR Act, combined authority of the Agricultural Conservation Program (ACP), Water Quality Incentive Program (WQIP), Great Plains Conservation Program (GPCP), and the Colorado River Basin Salinity Control Program (CRBSC), into the Environmental Quality Incentive Program (EQIP). The FAIR Act also repealed CRBSC authority, while maintaining program account balances until expended.

Beginning in 1996, EQIP was implemented on an interim program level for CRBSC. Program funding in 1997 provided cost-share assistance to landowners and others in the Colorado River Basin States to include: Colorado, Utah and Wyoming. The main objective is to enhance the supply and quality of water in the Colorado River for delivery to downstream users in the U.S. and Mexico.

Technical assistance funds have been provided directly within the Conservation Operations account.

Under this program, 30 percent of cost-share funds will be reimbursed to the U.S. Treasury by the Colorado River Basin States.

Future funding targeted towards salinity efforts will be provided by the Commodity Credit Corporation (CCC) for EQIP beginning 1997.

**WETLANDS RESERVE PROGRAM**

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

Identification code 12-1080-0-1-302	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.03 Technical Assistance .....	12	21	4
00.04 Easement Overhead Costs .....	-5		
10.00 Total obligations .....	7	21	4
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	32	25	4
23.95 New obligations .....	-7	-21	-4
24.40 Unobligated balance available, end of year:			
Uninvested .....	25	4	
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	80	39	22

73.10 New obligations .....	7	21	4
73.20 Total outlays (gross) .....	-47	-38	-26
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	39	22	

<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	47	38	26

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	47	38	26

The Wetlands Reserve Program (WRP) is authorized by Title XIV, Section 1438 of the Food, Agriculture, Conservation, and Trade Act of 1990 (P.L. 101-624), as amended by the Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66), as amended by the Federal Agriculture Improvement and Reform Act of 1996. The Fair Act authorized program funding of the WRP under the Commodity Credit Corporation (CCC) beginning FY 1997. The 1996 Fair Act also repealed the old authority for the WRP, while maintaining program account balances until expended. Funding for the program is now be provided by the Commodity Credit Corporation (CCC). The primary objectives of the program are to preserve and restore wetlands, improve wildlife habitat, and protect migratory waterfowl. The 1996 Fair Act limited cumulative WRP enrollment to 975,000 acres through 2002.

The Secretary of Agriculture, through designated county offices, uses program funds to enter into contracts with landowners that operate farmed or converted wetlands, farmed wetlands, or prior converted wetlands and adjoining land or riparian corridors. The contracts are for both permanent and non-permanent easements program. Participants will receive payments for wetlands easements, in a lump sum or annual installment payments for permanent easements, and annual installment payments under non-permanent easements. Compensation will be in cash as specified in the contract, but not to exceed the fair market value of the land. The program provides cost-share assistance to landowners for carrying out the establishment of conservation measures and practices. The program cost-shares 75 percent to 100 percent of eligible costs of an easement. The program also provides reimbursement to the landowner for overhead costs associated with acquiring an easement. Technical assistance will be largely funded within the account.

Under the 1992 program, 42,230 acres were enrolled in 9 pilot States. No funding was provided for operating a fiscal year 1993 program.

The 1994 program provided funding for enrolling 75,000 acres in 20 States, including the nine pilot States. The 1995 program provided funding for enrolling 112,300 acres under multiple sign-ups to alleviate a back-log of 1994 easement opportunities. The 1995 appropriation was amended by the Water Bank Extension Act of 1994 to provide \$889,800 for expiring 1985 water bank agreements. Funds were transferred from the WRP account to the Water Bank Account as authorized under the Water Bank Extension Act of 1994. Under the 1996 program, \$5 million of WRP funds were transferred to the Fish and Wildlife Foundation under a inter-agency agreement of joint partnership. The Foundation will provide additional matching funds for the acquisition of wetland easements.

94,000 acres were enrolled in 1996. Beginning in 1997, program funding was provided under the Commodity Credit Corporation (CCC). Approximately 126,000 acres were enrolled in fiscal year 1997. Funds under this account will remain until expended.

The proposed 1999 Funding for WRP activities through CCC is for 165 thousand acres (or \$124 million in CCC Funds). In fulfillment of the easement administration and monitoring responsibilities associated with WRP, it is estimated that NRCS staff year costs will run an average \$5

WETLANDS RESERVE PROGRAM—Continued

per easement acre for all acres under easements at the beginning of the fiscal year. Roughly, 661,000 acres are expected to be enrolled in the WRP by the beginning of the fiscal year 1999.

Object Classification (in millions of dollars)

Identification code 12-1080-0-1-302	1997 actual	1998 est.	1999 est.
11.1 Personnel compensation: Full-time permanent .....	7	8	2
12.1 Civilian personnel benefits .....	1	2	1
23.2 Rental payments to others .....	1	1	1
25.4 Operation and maintenance of facilities .....	2	7	.....
32.0 Land and structures .....	-5	3	.....
99.0 Subtotal, direct obligations .....	6	21	4
99.5 Below reporting threshold .....	1	.....	.....
99.9 Total obligations .....	7	21	4

Personnel Summary

Identification code 12-1080-0-1-302	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	142	268	54

WILDLIFE HABITAT INCENTIVE PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3322-0-1-302	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations .....	.....	30	20
<b>Budgetary resources available for obligation:</b>			
22.22 Unobligated balance transferred from other accounts .....	.....	30	20
23.95 New obligations .....	.....	-30	-20
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested .....	.....	.....	22
73.10 New obligations .....	.....	30	20
73.20 Total outlays (gross) .....	.....	-8	-11
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested .....	.....	22	31
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	.....	8	11
87.00 Total outlays (gross) .....	.....	8	11
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays .....	.....	8	11

The Wildlife Habitat Incentives Program (WHIP) is a voluntary program to support and encourage landowners with technical assistance and cost share payments to develop and improve fish and wildlife habitat on private lands. WHIP is currently budgeted for \$50 million through the year 2002 with funds from the Commodity Credit Corporation.

NRCS and the participant enter into a cost-share agreement for wildlife habitat development. This agreement generally lasts from 5 to 10 years from the date the agreement is signed. WHIP funds are distributed to states based on state wildlife habitat priorities which may include: wildlife habitat areas; targeted species and their habitats; and specific practices. Partnerships with other entities is preferred: WHIP may be implemented in cooperation with other Federal, State, or local agencies, conservation districts, or private conservation groups. State priorities are developed through a locally led process to identify wildlife resource needs and finalized in consultation with the State Technical Committee.

Object Classification (in millions of dollars)

Identification code 12-3322-0-1-302	1997 actual	1998 est.	1999 est.
11.1 Personnel compensation: Full-time permanent .....	.....	3	2
12.1 Civilian personnel benefits .....	.....	1	1
25.2 Other services .....	.....	2	1
41.0 Grants, subsidies, and contributions .....	.....	24	16
99.9 Total obligations .....	.....	30	20

Personnel Summary

Identification code 12-3322-0-1-302	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	.....	103	67

RURAL CLEAN WATER PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3337-0-1-304	1997 actual	1998 est.	1999 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year: Uninvested .....	3	3	3
24.40 Unobligated balance available, end of year: Uninvested .....	3	3	3
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested .....	3	2	1
73.20 Total outlays (gross) .....	-1	-1	-1
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested .....	2	1	1
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	.....	.....	.....
90.00 Outlays .....	.....	1	1

This experimental Rural Clean Water Program, authorized by Public Law 96-108 and Public Law 96-528, was a cooperative endeavor among farmers, various USDA agencies, and other organizations to develop and test means of controlling agricultural nonpoint source water pollution in rural areas.

Recommended project areas were developed by local and State committees and approved by the Secretary of Agriculture in consultation with the Administrator of the Environmental Protection Agency. Full funding was provided in previous appropriations for all approved projects. The implementation period for all projects has ended, and no additional obligations will be incurred. Payment of prior year obligations is expected to continue through the calendar year 1999. Similar activities will be carried out through the mandatory Environmental Quality Incentives Program.

Credit accounts:

AGRICULTURAL RESOURCE CONSERVATION DEMONSTRATION GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4177-0-3-351	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations .....	2	2	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year: Uninvested .....	7	5	3
23.95 New obligations .....	-2	-2	-1
24.40 Unobligated balance available, end of year: Uninvested .....	5	3	2



<b>Change in unpaid obligations:</b>				
73.10	New obligations .....	2	2	1
73.20	Total financing disbursements (gross) .....	-2	-2	-1
87.00	Total financing disbursements (gross) .....	2	2	1

<b>Net financing authority and financing disbursements:</b>				
89.00	Financing authority .....			
90.00	Financing disbursements .....	2	2	1

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

Identification code 12-4177-0-3-351	1997 actual	1998 est.	1999 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders .....			
2150	Total guaranteed loan commitments .....			
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	17	17	17
2290	Outstanding, end of year .....	17	17	17
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	17	17	17

This program, also known as "Farms for the Future," provides guarantees and interest assistance on loans made to State trust funds, who in turn finance acquisitions to preserve farmland in selected states. No guarantees have been made since 1993.

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

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

Identification code 12-4177-0-3-351	1996 actual	1997 actual	1998 est.	1999 est.	
ASSETS:					
1101	Federal assets: Fund balances with Treasury .....	8	5	5	3
1999	Total assets .....	8	5	5	3

**Trust Funds**

**MISCELLANEOUS CONTRIBUTED FUNDS**

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

Identification code 12-8210-0-7-300	1997 actual	1998 est.	1999 est.	
Balance, start of year:				
01.99	Balance, start of year .....	1	1	
Receipts:				
02.01	Miscellaneous contributed trust funds .....	2		
04.00	Total: Balances and collections .....	2	1	1
Appropriation:				
05.01	Miscellaneous contributed trust funds .....	-1		
07.99	Total balance, end of year .....	1	1	1

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

Identification code 12-8210-0-7-300	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00	Total obligations .....	3	19
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance available, start of year: Uninvested .....	21	19
22.00	New budget authority (gross) .....	1	
23.90	Total budgetary resources available for obligation .....	22	19

23.95	New obligations .....	-3	-19
24.40	Unobligated balance available, end of year: Uninvested .....	19	

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

60.27	Appropriation (trust fund, indefinite) .....	1	
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**Change in unpaid obligations:**

72.40	Unpaid obligations, start of year: Obligated balance: Uninvested .....	1	15	
73.10	New obligations .....	3	19	
73.20	Total outlays (gross) .....	-2	-5	-4
74.40	Unpaid obligations, end of year: Obligated balance: Uninvested .....	1	15	11

**Outlays (gross), detail:**

86.98	Outlays from permanent balances .....	2	5	4
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**Net budget authority and outlays:**

89.00	Budget authority .....	1		
90.00	Outlays .....	2	5	4

Funds received from State and local organizations, and others are available for work under cooperative agreements for soil survey, watershed protection, and resource conservation and development activities.

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

Identification code 12-8210-0-7-300	1997 actual	1998 est.	1999 est.
25.2	Other services .....	9	
32.0	Land and structures .....	1	1
41.0	Grants, subsidies, and contributions .....	2	9
99.9	Total obligations .....	3	19

**Personnel Summary**

Identification code 12-8210-0-7-300	1997 actual	1998 est.	1999 est.	
1001	Total compensable workyears: Full-time equivalent employment .....	3	1	1

**RURAL DEVELOPMENT**

**Federal Funds**

**General and special funds:**

**RURAL COMMUNITY ADVANCEMENT PROGRAM  
(INCLUDING TRANSFERS OF FUNDS)**

For the cost of direct loans, loan guarantees, and grants, as authorized by 7 U.S.C. 1926, 1926a, 1926c, and 1932, except for sections 381E[-], 381G, 381H, 381N, and 381O of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009f), [\$652,197,000] \$715,172,000, to remain available until expended, of which [\$27,062,000] \$35,717,000 shall be for rural community programs described in section 381E(d)(1) of the Consolidated Farm and Rural Development Act; of which [\$577,242,000] \$628,955,000 shall be for the rural utilities programs described in section 381E(d)(2) of such Act; and of which [\$47,893,000] \$50,500,000 shall be for the rural business and cooperative development programs described in section 381E(d)(3) of such Act: *Provided*, That [section 381E(d)(3)(B) of such Act is amended by inserting after the phrase "business and industry", the words "direct and": *Provided further*, That of the amount appropriated for the rural business and cooperative development programs, not to exceed \$500,000 shall be made available for a grant to a qualified national organization to provide technical assistance for rural transportation in order to promote economic development: *of the total amount appropriated, 3 percent shall be reserved for federally recognized Indian tribes through June 30, 1999, and if not used by Indian tribes shall be available for use by other qualified applicants: Provided further*, That of the amount appropriated for rural utilities programs, not to exceed [\$20,000,000] \$25,000,000 shall be for water and waste disposal systems to benefit the Colonias along the United States/Mexico border, including grants pursuant to section 306C of such Act; [not to exceed \$15,000,000 shall be for water and waste disposal systems for rural and native villages in Alaska

**General and special funds—Continued**

**RURAL COMMUNITY ADVANCEMENT PROGRAM—Continued**  
(INCLUDING TRANSFERS OF FUNDS)—Continued

pursuant to section 306D of such Act;] not to exceed [\$15,000,000] \$17,250,000 shall be for technical assistance grants for rural waste systems pursuant to section 306(a)(14) of such Act; and not to exceed [\$5,200,000] \$6,000,000 shall be for contracting with qualified national organizations for a circuit rider program to provide technical assistance for rural water systems: *Provided further*, That of the total amounts appropriated, not to exceed [\$20,048,000] \$36,092,800 shall be available through June 30, [1998] 1999, for empowerment zones and enterprise communities, as authorized by Public Law 103-66, of which [\$1,200,000] \$1,961,800 shall be for rural community programs described in section 381E(d)(1) of such Act; of which [\$18,700,000] \$25,478,000 shall be for the rural utilities programs described in section 381E(d)(2) of such Act; of which [\$148,000] \$8,653,000 shall be for the rural business and cooperative development programs described in section 381E(d)(3) of such Act; *Provided further*, That any obligated and unobligated balances available for prior years for the "Rural Water and Waste Disposal Grants", "Rural Water and Waste Disposal Loans Program Account", "Emergency Community Water Assistance Grants", "Solid Waste Management Grants", the community facility grant program in the "Rural Housing Assistance Program Account", "Community Facility Loans Program Account", "Rural Business Enterprise Grants", "Rural Business and Industry Loans Program Account", and "Local Technical Assistance and Planning Grants" shall be transferred to and merged with this account]. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-0400-0-1-999	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year		22	26
Receipts:			
02.01 Business and industry loans	6	4	7
02.02 Water and wastewater loans	12		
02.03 Rural community facility loans	4		
02.99 Total receipts	22	4	7
04.00 Total: Balances and collections	22	26	33
07.99 Total balance, end of year	22	26	33

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

Identification code 12-0400-0-1-999	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy	87	84	154
00.02 Guaranteed loan subsidy	9	11	10
00.05 Reestimate of direct loan subsidy	22		
00.06 Interest on reestimate of direct loan subsidy	2		
00.10 Grants	576	563	551
10.00 Total obligations (object class 41.0)	696	658	715
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested	6	5	
22.00 New budget authority (gross)	674	653	715
22.10 Resources available from recoveries of prior year obligations	21		
23.90 Total budgetary resources available for obligation	701	658	715
23.95 New obligations	-696	-658	-715
24.40 Unobligated balance available, end of year:			
Uninvested	5		
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation	619	652	715
42.00 Transferred from other accounts	19		
43.00 Appropriation (total)	638	652	715
Permanent:			
60.05 Appropriation (indefinite) Reestimates	24		
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	12	1	

70.00	Total new budget authority (gross)	674	653	715
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Uninvested	1,615	1,636	1,640
73.10	New obligations	696	658	715
73.20	Total outlays (gross)	-645	-654	-649
73.32	Obligated balance transferred from other accounts	1		
73.40	Adjustments in expired accounts	-9		
73.45	Adjustments in unexpired accounts	-21		
74.40	Unpaid obligations, end of year: Obligated balance:			
	Uninvested	1,636	1,640	1,706
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new current authority	24	34	36
86.93	Outlays from current balances	585	619	614
86.97	Outlays from new permanent authority	36	1	
87.00	Total outlays (gross)	645	654	649
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Federal sources:				
88.00	NADBank		-1	
88.00	Fund for Rural America	-12		
88.90	Total, offsetting collections (cash)	-12	-1	
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	662	652	715
90.00	Outlays	633	653	649
<b>Distribution of budget authority by account:</b>				
	Rural Community Advancement Program		652	715
	Rural Water and Waste Disposal Loans	92		
	Rural Water and Waste Disposal Grants	497		
	Solid Waste Management Grants	2		
	Community Facility Loans	15		
	Community Facility Grants	6		
	Rural Business and Industry Loans	8		
	Rural Business Enterprise Grants	41		
<b>Distribution of outlays by account:</b>				
	Rural Community Advancement Program		653	649
	Rural Water and Waste Disposal Loans	129		
	Rural Water and Waste Disposal Grants	428		
	Solid Waste Management Grants	3		
	Emergency Community Water Assistance Grants	6		
	Community Facility Loans	26		
	Rural Business and Industry Loans	7		
	Rural Business Enterprise Grants	35		
<b>Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program</b> (in millions of dollars)				
Identification code 12-0400-0-1-999		1997 actual	1998 est.	1999 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>				
1150	Direct water and waste disposal loan levels	803	691	764
1150	Direct community facility loan levels	137	206	200
1150	Direct business and industry loan levels	12	50	50
1159	Total direct loan levels	952	947	1,014
<b>Direct loan subsidy (in percent):</b>				
1320	Direct water and waste disposal loans subsidy rate	9.02	9.76	16.52
1320	Direct community facility loans subsidy rate	8.73	8.38	13.74
1320	Direct business and industry loans subsidy rate	0.51	-7.16	-14.64
1329	Weighted average subsidy rate	8.88	6.44	14.43
<b>Direct loan subsidy budget authority:</b>				
1330	Direct water and waste disposal loans subsidy budget authority	90	67	126
1330	Direct community facility loans subsidy budget authority	15	17	27
1330	Direct business and industry subsidy budget authority			
1339	Total subsidy budget authority	105	84	153
<b>Direct loan subsidy outlays:</b>				
1340	Direct water and waste disposal loans subsidy outlays	127	126	94
1340	Direct community facility loans subsidy outlays	25	20	21
1340	Direct business and industry subsidy outlays			
1349	Total subsidy outlays	152	146	115

Guaranteed loan levels supportable by subsidy budget authority:				
2150	Water and waste disposal loan guarantee levels .....	75	75	75
2150	Community facility loan guarantee levels .....	85	153	210
2150	Business and industry loan guarantee levels .....	815	1,000	1,000
2159	Total loan guarantee levels .....	975	1,228	1,285
Guaranteed loan subsidy (in percent):				
2320	Guaranteed water and waste disposal loan subsidy rate .....	-1.09	-1.90	-1.08
2320	Guaranteed community facility loan subsidy rate .....	0.41	0.40	-0.54
2320	Guaranteed business and industry loan subsidy rate .....	0.93	0.97	1.02
2329	Weighted average subsidy rate .....	0.52	0.59	0.55
Guaranteed loan subsidy budget authority:				
2330	Guaranteed water and waste disposal loans subsidy budget authority .....			
2330	Guaranteed community facility loans subsidy budget authority .....		1	
2330	Guaranteed business and industry loans subsidy budget authority .....	8	10	10
2339	Total subsidy budget authority .....	8	11	10
Guaranteed loan subsidy outlays:				
2340	Guaranteed water and waste disposal loan subsidy outlays .....			
2340	Guaranteed community facility loan subsidy outlays .....	1	1	
2340	Guaranteed business and industry loan subsidy outlays .....	8	3	6
2349	Total subsidy outlays .....	9	4	6

This account consolidates under the Rural Community Advancement Program (RCAP) funding for the direct and guaranteed water and waste disposal loans, water and waste disposal grants, emergency community water assistance grants, solid waste management grants, direct and guaranteed community facility loans, community facility grants, direct and guaranteed business and industry loans, rural business enterprise grants, and rural business opportunity grants. This is in accordance with the provisions set forth in the Federal Agriculture Improvement and Reform Act of 1996, as amended, Public Law 104-127 (the 1996 Act). Consolidating funding for these 12 loan and grant programs under RCAP provides greater flexibility to tailor financial assistance to applicant needs.

RCAP is composed of the following three funding streams: Rural Community Facilities, Rural Utilities, and Rural Business and Cooperative Development. For 1999, the Budget proposes the full flexibility authorized in the 1996 Act for up to 25 percent of the resources in each stream to shift to other streams, in order to respond to the unique rural development needs of states and localities. Funding for the rural water and wastewater programs in this account is proposed as part of the Environmental Resources Fund for America. This proposal highlights the Administration's priority to provide deficit neutral funding for investments in many of our Nation's key environmental programs. A discussion of the Environmental Resources Fund for America and two other funds for research and transportation can be found in Section II of the *Budget* volume.

*Water and waste disposal loans* are authorized under 7 U.S.C. 1926. The program provides direct loans to municipalities, counties, special purpose districts, certain Indian Tribes, and non-profit corporations to develop water and waste disposal systems in rural areas and towns with populations of less than 10,000. The program also guarantees water and waste disposal loans made by banks and other eligible lenders.

*Water and waste disposal grants* are authorized under Section 306(a)(2) of the Consolidated Farm and Rural Development Act, as amended. Grants are authorized to be made to associations, including nonprofit corporations, municipalities, counties, public and quasi-public agencies, and certain Indian tribes. The grants can be used to finance development, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas

and cities or towns with populations of less than 10,000. The amount of any development grant may not exceed 75 percent of the eligible development cost of the project.

*Emergency community water assistance grants* are authorized under Section 306A of the Consolidated Farm and Rural Development Act, as amended. Grants are made to public bodies and nonprofit organizations for construction or extension of water lines, repair or maintenance of existing systems, replacement of equipment, and payment of costs to correct emergency situations.

*Solid waste management grants* are authorized under Section 310B(b) of the Consolidated Farm and Rural Development Act, as amended. Grants are made to non-profit organizations to provide regional technical assistance to local and regional governments and related agencies for the purpose of reducing or eliminating pollution of water resources, and for improving the planning and management of solid waste disposal facilities.

*Community facility loans and grants* are authorized under sections 306(a)(1) and 306(a)(19) of the Consolidated Farm and Rural Development Act, as amended. Loans are provided to local governments and nonprofit organizations for the construction and improvement of community facilities providing essential services in rural areas of not more than 50,000 population, such as hospitals and fire stations.

*Business and industry guaranteed and direct loans* are authorized under section 310B(a)(1) of the Consolidated Farm and Rural Development, as amended. These loans are made to public, private or cooperative organizations, Indian tribes or tribal groups, corporate entities, or individuals for the purpose of improving the economic climate in rural areas.

*Rural business enterprise grants* are authorized under sections 310(B)(c) and 310(B)(j) of the Consolidated Farm and Rural Development Act, as amended. These grants enable public and nonprofit organizations to operate rural economic development projects. In general, these grants provide investments in the human and physical resources of rural communities. Past projects have enabled rural communities to acquire and develop land, create technical assistance programs, encourage small business growth and create new jobs.

*Rural Business Opportunity Grants* are authorized under section 310(B)(a)(11) of the Consolidated Farm and Rural Development Act, as amended. These grants enable public bodies and private nonprofit organizations to provide for technical assistance, training, and planning activities that improve economic conditions in rural area.

RURAL EMPOWERMENT ZONE/ENTERPRISE COMMUNITY GRANTS

(Proposed legislation, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-0402-4-1-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations (object class 41.0) .....			20
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			20
23.95 New obligations .....			-20
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....			20
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....			20
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....			20
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			20
90.00 Outlays .....			

**General and special funds—Continued**

RURAL EMPOWERMENT ZONE/ENTERPRISE COMMUNITY GRANTS—  
Continued

The goal of the Empowerment Zone/Enterprise Community initiative is to revitalize rural communities in a manner that attracts private sector investment and thereby provides self-sustaining community and economic development. Legislation will be proposed to provide funding to allow five new rural empowerment zones, as authorized by the Taxpayer Relief Act of 1997, to create economic opportunity in the most distressed rural communities. A similar proposal is requested for urban zones through the Department of Housing and Urban Development. Similar to the initial round of EZ/EC, the designated communities would be required to develop strategic development plans as (part of the application process) to guide future development activities, and to develop benchmarks to assess progress periodically.

The flexible grant funding would be available for a wide variety of community and economic development purposes that link human capital needs with economic development initiatives. The purposes may include revolving loan funds for business capitalization or community development, job training and job counseling, infrastructure investment, home ownership and home ownership counseling, health care and related facilities, child care and administrative costs linked to redevelopment efforts.

Similar to the first round, the second round will be a 10-year effort based on a comprehensive development plan involving the residents, the private sector, the non-profit community and local, State and Federal governments. Experience from the initial round of urban and rural designations demonstrates significant successes that are stimulating billions in private sector investment, reviving communities that had given up hope for economic opportunity and creating thousands of jobs, moving people from dependency to active participation in the economy. Round two will build on the successes of the initial round.

**RURAL UTILITIES SERVICE**

*Federal Funds*

**General and special funds:**

SALARIES AND EXPENSES

For necessary expenses of the Rural Utilities Service, including administering the programs authorized by the Rural Electrification Act of 1936, and the Consolidated Farm and Rural Development Act, and for cooperative agreements, [\$33,000,000] \$33,445,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$105,000 may be used for employment under 5 U.S.C. 3109. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-1981-0-1-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	33	33	33
09.02 Reimbursable program .....	33	33	35
10.00 Total obligations .....	66	66	68
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	67	66	68
22.30 Unobligated balance expiring .....	-1		
23.90 Total budgetary resources available for obligation .....	67	66	68
23.95 New obligations .....	-66	-66	-68

<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	33	33	33
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	34	33	35
70.00 Total new budget authority (gross) .....	67	66	68
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	14	10	12
73.10 New obligations .....	66	66	68
73.20 Total outlays (gross) .....	-70	-66	-68
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	10	12	12
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	24	29	29
86.93 Outlays from current balances .....	12	4	4
86.97 Outlays from new permanent authority .....	34	29	31
86.98 Outlays from permanent balances .....		4	4
87.00 Total outlays (gross) .....	70	66	68
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-34	-33	-35
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	33	33	33
90.00 Outlays .....	36	33	33

The Rural Utilities Service (RUS), under authority of the Rural Electrification Act of 1936, as amended, and the Consolidated Farm and Rural Development Act, makes grants, direct loans, and guarantees loans made by other qualified lenders, to suppliers of electric, telecommunications, and water/wastewater/waste disposal services in rural areas. RUS also provides technical assistance to rural communities concerning water and waste disposal services. In addition, RUS makes grants and loans to provide access to advanced telecommunications services for distance learning and telemedicine facilities.

The electric and telecommunications loan and grant programs are administered in the Washington, DC, offices of RUS. In addition, RUS general field representatives visit borrowers periodically and maintain liaison between borrowers and headquarters. RUS administers the water and waste programs through the Washington headquarters, with the loan making and servicing activities being performed by the Rural Development field office staff.

*Administrative Convergence.* The Department is coordinating the functions and personnel of the different field agencies to provide a more seamless and efficient delivery system. By 2002, the proposal would result in a 22 percent reduction in administrative staffing from 1997. Savings by 2002 would equal \$127 million/year. Progress in 1999 would be indicated by the creation of a Support Services Bureau reflecting a new entity made by consolidating the agencies administrative functions both at the National Level and in each State.

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

Identification code 12-1981-0-1-452	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	21	21	21
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	22	22	22
12.1 Civilian personnel benefits .....	5	4	4
21.0 Travel and transportation of persons .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
24.0 Printing and reproduction .....	1	1	1
25.2 Other services .....	3	4	4
99.0 Subtotal, direct obligations .....	33	33	33

99.0	Reimbursable obligations .....	33	33	35
99.9	Total obligations .....	66	66	68

**Personnel Summary**

Identification code 12-1981-0-1-452	1997 actual	1998 est.	1999 est.	
<b>Direct:</b>				
1001	Total compensable workyears: Full-time equivalent employment .....	381	393	290
<b>Reimbursable:</b>				
2001	Total compensable workyears: Full-time equivalent employment .....	364	371	425

**SALARIES AND EXPENSES  
(RURAL ELECTRIFICATION ADMINISTRATION)**

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

Identification code 12-3100-0-1-271	1997 actual	1998 est.	1999 est.	
<b>Change in unpaid obligations:</b>				
73.20	Total outlays (gross) .....	-1		
73.40	Adjustments in expired accounts .....	1		
<b>Outlays (gross), detail:</b>				
86.93	Outlays from current balances .....	1		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	1		

In 1996, the Rural Electrification Administration became part of the Rural Utilities Service (RUS) along with certain programs formerly administered by the Rural Development Administration.

**RURAL WATER AND WASTE DISPOSAL DIRECT LOANS FINANCING ACCOUNT**

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

Identification code 12-4226-0-1-452	1997 actual	1998 est.	1999 est.	
<b>Obligations by program activity:</b>				
00.01	Direct Loans .....	823	694	764
00.02	Direct Loans (Fund For Rural America) .....	8		
00.03	Interest on Treasury Borrowing .....	139	419	529
00.04	Downward reestimate paid to receipt account .....	12		
10.00	Total obligations .....	982	1,113	1,293
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance available, start of year: Uninvested .....		110	
22.00	New financing authority (gross) .....	1,060	1,003	1,293
22.10	Resources available from recoveries of prior year obligations .....	42		
22.70	Balance of authority to borrow withdrawn .....	-10		
23.90	Total budgetary resources available for obligation .....	1,092	1,113	1,293
23.95	New obligations .....	-982	-1,113	-1,293
24.40	Unobligated balance available, end of year: Uninvested .....	110		
<b>New financing authority (gross), detail:</b>				
67.15	Authority to borrow (indefinite) .....	830	550	594
<b>Spending authority from offsetting collections:</b>				
68.00	Offsetting collections (cash) .....	271	444	549
68.10	Change in orders on hand from Federal sources .....	-41	9	150
68.90	Spending authority from offsetting collections (total) .....	230	453	699
70.00	Total new financing authority (gross) .....	1,060	1,003	1,293
<b>Change in unpaid obligations:</b>				
Unpaid obligations, start of year:				
72.40	Obligated balance: Uninvested .....	1,367	1,528	1,487
72.95	Receivables from program account .....	292	251	260

72.99	Total unpaid obligations, start of year .....	1,659	1,779	1,747
73.10	New obligations .....	982	1,113	1,293
73.20	Total financing disbursements (gross) .....	-820	-1,145	-1,209
73.45	Adjustments in unexpired accounts .....	-42		
<b>Unpaid obligations, end of year:</b>				
74.40	Obligated balance: Uninvested .....	1,528	1,487	1,421
74.95	Receivables from program account .....	251	260	410
74.99	Total unpaid obligations, end of year .....	1,779	1,747	1,831
87.00	Total financing disbursements (gross) .....	820	1,145	1,209

**Offsets:**

<b>Against gross financing authority and financing disbursements:</b>				
<b>Offsetting collections (cash) from:</b>				
88.00	Federal sources .....	-129	-126	-94
88.25	Interest on uninvested funds .....	-32	-179	-265
<b>Non-Federal sources:</b>				
88.40	Repayment of principal .....	-25	-25	-34
88.40	Interest received on loans .....	-86	-114	-156
88.40	Miscellaneous offsetting collections .....	1		
88.90	Total, offsetting collections (cash) .....	-271	-444	-549
88.95	Change in receivables from program accounts .....	41	-9	-150

**Net financing authority and financing disbursements:**

89.00	Financing authority .....	830	550	594
90.00	Financing disbursements .....	550	701	660

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

Identification code 12-4226-0-1-452	1997 actual	1998 est.	1999 est.	
<b>Position with respect to appropriations act limitation on obligations:</b>				
1111	Limitation on direct loans .....	794	691	764
1112	Unobligated direct loan limitation .....	-3		
1113	Unobligated limitation carried forward .....	31	3	
1131	Direct loan obligations exempt from limitation .....	8		
1150	Total direct loan obligations .....	830	694	764
<b>Cumulative balance of direct loans outstanding:</b>				
1210	Outstanding, start of year .....	1,615	2,260	2,961
1231	Disbursements: Direct loan disbursements .....	670	726	680
1251	Repayments: Repayments and prepayments .....	-25	-25	-34
1264	Write-offs for default: Other adjustments, net .....			
1290	Outstanding, end of year .....	2,260	2,961	3,607

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

The water and waste disposal program makes loans and grants to finance water and waste disposal facilities in rural areas.

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

Identification code 12-4226-0-1-452	1996 actual	1997 actual	1998 est.	1999 est.	
<b>ASSETS:</b>					
<b>Federal assets:</b>					
1101	Fund balances with Treasury .....	152	167	448	500
<b>Investments in US securities:</b>					
1106	Receivables, net .....	292	251	260	410
<b>Net value of assets related to post-1991 direct loans receivable:</b>					
1401	Direct loans receivable, gross .....	1,615	2,260	2,961	3,607
1402	Interest receivable .....	23	31	114	156
1405	Allowance for subsidy cost (-) .....	-324	-429	-557	-651
1499	Net present value of assets related to direct loans .....	1,314	1,862	2,518	3,112
1999	Total assets .....	1,758	2,280	3,226	4,022
<b>LIABILITIES:</b>					
2103	Federal liabilities: Debt .....	1,460	2,024	2,961	3,607
2203	Non-Federal liabilities: Debt .....	6	5	5	5

**General and special funds—Continued**

**RURAL WATER AND WASTE DISPOSAL DIRECT LOANS FINANCING ACCOUNT—Continued**

**Balance Sheet (in millions of dollars)—Continued**

Identification code 12-4226-0-1-452	1996 actual	1997 actual	1998 est.	1999 est.
2999 Total liabilities .....	1,466	2,029	2,966	3,612
<b>NET POSITION:</b>				
3100 Appropriated capital .....	292	251	260	410
3999 Total net position .....	292	251	260	410
4999 Total liabilities and net position .....	1,758	2,280	3,226	4,022

**RURAL WATER AND WASTE DISPOSAL GUARANTEED LOANS FINANCING ACCOUNT**

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

Identification code 12-4218-0-3-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Investment in secondary market .....		1	1
00.02 Negative subsidy paid to receipt account .....		1	1
10.00 Total obligations .....		2	2
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross) .....		2	2
23.95 New obligations .....		-2	-2
<b>New financing authority (gross), detail:</b>			
67.15 Authority to borrow (indefinite) .....		2	1
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....			1
70.00 Total new financing authority (gross) .....		2	2
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....		2	2
73.20 Total financing disbursements (gross) .....		-2	-2
87.00 Total financing disbursements (gross) .....		2	2
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
88.40 Offsetting collections (cash) from: Fees .....			-1
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....		2	1
90.00 Financing disbursements .....		2	1

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

Identification code 12-4218-0-3-452	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	75	75	75
2112 Uncommitted loan guarantee limitation .....	-72		
2150 Total guaranteed loan commitments .....	3	75	75
2199 Guaranteed amount of guaranteed loan commitments .....	2	60	60
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	8	7	30
2231 Disbursements of new guaranteed loans .....		24	26
2251 Repayments and prepayments .....	-1	-1	-1
2264 Adjustments: Other adjustments, net .....			
2290 Outstanding, end of year .....	7	30	55
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	6	24	44

**Addendum:**

Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year .....			

2364 Other adjustments, net .....			
2390 Outstanding, end of year .....			

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

This account finances loan guarantee commitments for water systems, and waste disposal facilities in rural areas.

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

Identification code 12-4218-0-3-452	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....				1
1999 Total assets .....				1
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees .....				1
2999 Total liabilities .....				1
4999 Total liabilities and net position .....				1

**RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT (INCLUDING TRANSFERS OF FUNDS)**

Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936 (7 U.S.C. 935), shall be made as follows: 5 percent rural electrification loans, **[\$125,000,000]** \$55,000,000; 5 percent rural telecommunications loans, **[\$75,000,000]** \$50,000,000; cost of money rural telecommunications loans, \$300,000,000; municipal rate rural electric loans, **[\$500,000,000]** \$250,000,000; and loans made pursuant to section 306 of that Act, rural electric, \$300,000,000 and rural telecommunications, \$120,000,000, to remain available until expended.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct and guaranteed loans authorized by the Rural Electrification Act of 1936 (7 U.S.C. 935 and 936), as follows: cost of **[direct loans, \$12,265,000; cost of municipal rate loans, \$21,100,000; cost of money rural telecommunications loans, \$60,000; cost of loans guaranteed pursuant to section 306, \$2,760,000]** rural electric loans, \$29,072,320, and the cost of telecommunication loans, \$5,705,000. Provided, That notwithstanding section 305(d)(2) of the Rural Electrification Act of 1936, borrower interest rates may exceed 7 percent per year.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, **[\$29,982,000]** \$32,000,000, which shall be transferred to and merged with the appropriation for "Rural Utilities Service—Salaries and Expenses". (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-1230-0-1-271	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year .....	40	102	104
Receipts:			
02.01 Rural electrification and telephone loans .....	62	2	3
04.00 Total: Balances and collections .....	102	104	107
07.99 Total balance, end of year .....	102	104	107

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

Identification code 12-1230-0-1-271	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy .....	36	36	35

00.05	Reestimate of the direct loan subsidy .....	123		
00.06	Interest on reestimates of direct loan subsidy .....	21		
00.09	Administrative expenses subject to limitation .....	30	30	32
10.00	Total obligations .....	210	66	67

**Budgetary resources available for obligation:**

22.00	New budget authority (gross) .....	210	66	67
23.95	New obligations .....	-210	-66	-67

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

Current:				
40.00	Appropriation .....	66	66	67
Permanent:				
60.05	Appropriation (indefinite) .....	144		
70.00	Total new budget authority (gross) .....	210	66	67

**Change in unpaid obligations:**

72.40	Unpaid obligations, start of year: Obligated balance:			
	Uninvested .....	216	164	103
73.10	New obligations .....	210	66	67
73.20	Total outlays (gross) .....	-256	-127	-99
73.40	Adjustments in expired accounts .....	-5		
74.40	Unpaid obligations, end of year: Obligated balance:			
	Uninvested .....	164	103	71

**Outlays (gross), detail:**

86.90	Outlays from new current authority .....	35	34	35
86.93	Outlays from current balances .....	77	92	64
86.97	Outlays from new permanent authority .....	144		
87.00	Total outlays (gross) .....	256	127	99

**Net budget authority and outlays:**

89.00	Budget authority .....	210	66	67
90.00	Outlays .....	257	127	99

**Summary of Budget Authority and Outlays**

(in millions of dollars)

	1997 actual	1998 est.	1999 est.
Enacted/requested:			
Budget Authority .....	210	66	67
Outlays .....	256	126	99
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			1
Outlays .....			
Total:			
Budget Authority .....	210	66	68
Outlays .....	256	126	99

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

Identification code 12-1230-0-1-271	1997 actual	1998 est.	1999 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loans, electric .....	69	125	55
1150 Direct loans, municipal rate electric .....	455	500	250
1150 Direct loans, FFB electric .....	300	300	300
1150 Direct loans, telecommunications .....	75	75	50
1150 Direct loans, Treasury rate telecommunications .....	300	300	300
1150 Direct loans, FFB telecommunications .....	120	120	120
1159 Total direct loan levels .....	1,319	1,420	1,075
Direct loan subsidy (in percent):			
1320 Direct loans, electric .....	5.27	7.46	13.04
1320 Direct loans, municipal rate electric .....	6.20	4.22	8.76
1320 Direct loans, FFB electric .....	0.93	0.92	-0.38
1320 Direct loans, telecommunications .....	1.59	3.92	9.79
1320 Direct loans, Treasury rate telecommunications .....	0.02	0.02	0.27
1320 Direct loans, FFB telecommunications .....	-0.07	-0.07	-0.81
1329 Weighted average subsidy rate .....	3.25	2.55	3.04
Direct loan subsidy budget authority:			
1330 Direct loans, electric .....	70	9	7
1330 Direct loans, municipal rate electric .....	28	21	22
1330 Direct loans, FFB electric .....	3	3	
1330 Direct loans, telecommunications .....	1	3	5
1330 Direct loans, Treasury, telecom subsidy .....			1
1339 Total subsidy budget authority .....	102	36	35
Direct loan subsidy outlays:			
1340 Direct loans, electric .....	29	19	12

1340	Direct loans, municipal rate electric .....	38	44	38
1340	Direct loans, FFB electric .....		5	2
1340	Direct loans, telecommunications .....	15	28	15
1349	Total subsidy outlays .....	82	96	67

Administrative expense data:

3510	Budget authority .....	30	30	32
3590	Outlays .....	30	30	32

The Rural Utilities Service conducts the rural electrification and the rural telecommunications loan programs. The rural electrification loan program is financed through RUS direct loans for the operation of generating plants, electric transmission, and distribution lines or systems. The rural telecommunications loan program is financed through RUS direct loans for construction, expansion, and operation of telecommunications lines and facilities or systems.

As required by the Federal Credit Reform Act of 1990, this account records, for rural electrification and telecommunications programs, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

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

Identification code 12-1230-0-1-271	1997 actual	1998 est.	1999 est.
25.3 Purchases of goods and services from Government accounts .....	30	30	32
41.0 Grants, subsidies, and contributions .....	180	36	35
99.9 Total obligations .....	210	66	67

**RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT**

(Legislative proposal, not subject to PAYGO)

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

Identification code 12-1230-2-1-271	1997 actual	1998 est.	1999 est.
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**Obligations by program activity:**

00.01	Direct loan subsidy .....			1
10.00	Total obligations (object class 41.0) .....			1

**Budgetary resources available for obligation:**

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

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

40.00	Appropriation .....			1
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**Change in unpaid obligations:**

73.10	New obligations .....			1
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**Net budget authority and outlays:**

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

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

Identification code 12-1230-2-1-271	1997 actual	1998 est.	1999 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loan, Treasury electric .....			400
1159 Total direct loan levels .....			400
Direct loan subsidy (in percent):			
1320 Direct loan, Treasury electric .....			0.21
1329 Weighted average subsidy rate .....			-0.77

**General and special funds—Continued**

**RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS  
PROGRAM ACCOUNT—Continued**

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

Identification code 12-1230-2-1-271	1997 actual	1998 est.	1999 est.
<b>Direct loan subsidy budget authority:</b>			
1330 Direct loan, Treasury electric .....			1
1339 Total subsidy budget authority .....			1
<b>Direct loan subsidy outlays:</b>			
1340 Direct loans, Treasury electric .....			
1349 Total subsidy outlays .....			
<b>Administrative expense data:</b>			
3510 Budget authority .....			
3590 Outlays .....			

This proposed legislation would add a new Treasury rate Electric Loan Program, similar to the telecommunications program, in the amount of \$400 million. Borrowers would apply for direct (Treasury rate) loans at an interest rate that is tied to the Government's cost of money. The new type of loan represents a new tool for the Rural Utilities Service (RUS) in meeting the demand for electric program loans. The growth that RUS electric borrowers are experiencing has resulted in record levels of loan applications, exceeding one billion dollars, being submitted to RUS in recent years. RUS will continue to experience an added demand for financing as electric distribution borrowers replace plants, much of which is 40 years old. RUS estimates that the Electric Program will end 1998 with a backlog of electric loan applications in the amount of \$900 million.

**RURAL ELECTRIFICATION AND TELECOMMUNICATIONS DIRECT LOAN  
FINANCING ACCOUNT**

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

Identification code 12-4208-0-3-271	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans .....	1,105	1,420	1,075
00.03 Interest on Treasury borrowing .....	278	362	465
00.04 Negative subsidy paid to receipt account .....	1	2	3
00.05 Downward reestimate paid to receipt account .....	49		
00.06 Interest on downward reestimate paid to receipt account .....	11		
10.00 Total obligations .....	1,444	1,784	1,543
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	56	26	
22.00 New financing authority (gross) .....	1,439	1,758	1,543
22.10 Resources available from recoveries of prior year obligations .....	71		
22.60 Redemption of debt .....	-30		
22.70 Balance of authority to borrow withdrawn .....	-66		
23.90 Total budgetary resources available for obligation .....	1,470	1,784	1,543
23.95 New obligations .....	-1,444	-1,784	-1,543
24.40 Unobligated balance available, end of year:			
Uninvested .....	26		
<b>New financing authority (gross), detail:</b>			
67.15 Authority to borrow (indefinite) .....	1,074	1,259	905
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	599	560	670
68.10 Change in orders on hand from Federal sources .....	-47	-61	-32
68.47 Portion applied to debt reduction .....	-187		
68.90 Spending authority from offsetting collections (total) .....	365	499	638
70.00 Total new financing authority (gross) .....	1,439	1,758	1,543

**Change in unpaid obligations:**

<b>Unpaid obligations, start of year:</b>			
72.40 Obligated balance: Uninvested .....	3,001	3,166	2,744
72.95 Receivables from program account .....	211	164	103
72.99 Total unpaid obligations, start of year .....	3,212	3,330	2,847
73.10 New obligations .....	1,444	1,784	1,543
73.20 Total financing disbursements (gross) .....	-1,255	-2,267	-1,934
73.45 Adjustments in unexpired accounts .....	-71		
<b>Unpaid obligations, end of year:</b>			
74.40 Obligated balance: Uninvested .....	3,166	2,744	2,385
74.95 Receivables from program account .....	164	103	71
74.99 Total unpaid obligations, end of year .....	3,330	2,847	2,456
87.00 Total financing disbursements (gross) .....	1,255	2,267	1,934

**Offsets:**

<b>Against gross financing authority and financing disbursements:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Payment from program account .....	-227	-97	-67
88.25 Interest on uninvested funds .....	-41	-94	-126
<b>Non-Federal sources:</b>			
88.40 Repayment of principal .....	-112	-74	-90
88.40 Interest received on loans .....	-219	-295	-387
88.90 Total, offsetting collections (cash) .....	-599	-560	-670
88.95 Change in receivables from program accounts .....	47	61	32

**Net financing authority and financing disbursements:**

89.00 Financing authority .....	887	1,259	905
90.00 Financing disbursements .....	658	1,707	1,264

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

Identification code 12-4208-0-3-271	1997 actual	1998 est.	1999 est.
<b>Position with respect to appropriations act limitation on obligations:</b>			
1111 Limitation on direct loans .....	1,319	1,420	1,075
1112 Unobligated direct loan limitation .....	-214		
1150 Total direct loan obligations .....	1,105	1,420	1,075
<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year .....	3,502	4,306	6,135
1231 Disbursements: Direct loan disbursements .....	916	1,903	1,467
1251 Repayments: Repayments and prepayments .....	-112	-74	-90
1290 Outstanding, end of year .....	4,306	6,135	7,512

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from electric and telecommunication direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

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

Identification code 12-4208-0-3-271	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
<b>Federal assets:</b>				
1101 Fund balances with Treasury .....	31	157	167	264
<b>Investments in US securities:</b>				
1106 Receivables, net .....	1	2		
<b>Net value of assets related to post-1991 direct loans receivable:</b>				
1401 Direct loans receivable, gross .....	3,060	3,656	4,801	5,752
1405 Allowance for subsidy cost (-) .....	-114	-468	-448	-500
1499 Net present value of assets related to direct loans .....	2,946	3,188	4,353	5,252
1999 Total assets .....	2,978	3,347	4,520	5,516
<b>LIABILITIES:</b>				
<b>Federal liabilities:</b>				
2101 Accounts payable .....	2			
2103 Debt .....	2,798	3,208	4,410	5,429
2999 Total liabilities .....	2,800	3,208	4,410	5,429
<b>NET POSITION:</b>				
3100 Appropriated capital .....	178	139	110	87



3999	Total net position .....	178	139	110	87
4999	Total liabilities and net position .....	2,978	3,347	4,520	5,516
<b>ASSETS:</b>					
Federal assets:					
1101	Fund balances with Treasury .....	42	49	71	99
Investments in US securities:					
1106	Receivables, net .....				
Net value of assets related to post-1991 direct loans receivable:					
1401	Direct loans receivable, gross .....	442	649	1,334	1,759
1405	Allowance for subsidy cost (-) .....	-39	-61	-83	-98
1499	Net present value of assets related to direct loans .....	403	588	1,251	1,661
1999	Total assets .....	445	637	1,322	1,760
<b>LIABILITIES:</b>					
Federal liabilities:					
2101	Accounts payable .....				
2103	Debt .....	368	582	1,284	1,731
2999	Total liabilities .....	368	582	1,284	1,731
<b>NET POSITION:</b>					
3100	Appropriated capital .....	77	55	38	29
3999	Total net position .....	77	55	38	29
4999	Total liabilities and net position .....	445	637	1,322	1,760

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS DIRECT LOAN FINANCING ACCOUNT

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-4208-2-3-271	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01	Direct loans .....		400
10.00	Total obligations .....		400
<b>Budgetary resources available for obligation:</b>			
22.00	New financing authority (gross) .....		400
23.95	New obligations .....		-400
<b>New financing authority (gross), detail:</b>			
67.15	Authority to borrow (indefinite) .....		399
68.10	Spending authority from offsetting collections: Change in orders on hand from Federal sources .....		1
70.00	Total new financing authority (gross) .....		400
<b>Change in unpaid obligations:</b>			
73.10	New obligations .....		400
73.20	Total financing disbursements (gross) .....		-32
Unpaid obligations, end of year:			
74.40	Obligated balance: Uninvested .....		367
74.95	Receivables from program account .....		1
74.99	Total unpaid obligations, end of year .....		368
87.00	Total financing disbursements (gross) .....		32
88.95	Change in receivables from program accounts .....		-1
<b>Net financing authority and financing disbursements:</b>			
89.00	Financing authority .....		399
90.00	Financing disbursements .....		32

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from electric and telecommunication direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Status of Direct Loans (in millions of dollars)

Identification code 12-4208-2-3-271	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans .....		400
1150	Total direct loan obligations .....		400
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year .....		
1231	Disbursements: Direct loan disbursements .....		32
1251	Repayments: Repayments and prepayments .....		
1290	Outstanding, end of year .....		32

Balance Sheet (in millions of dollars)

Identification code 12-4208-2-3-271	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross .....			32
1402	Interest receivable .....			2
1405	Allowance for subsidy cost (-) .....			-1
1499	Net present value of assets related to direct loans .....			33
1999	Total assets .....			33
<b>LIABILITIES:</b>				
2103	Federal liabilities: Debt .....			32
2999	Total liabilities .....			32
<b>NET POSITION:</b>				
3100	Appropriated capital .....			1
3999	Total net position .....			1
4999	Total liabilities and net position .....			33

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4230-0-3-271	1997 actual	1998 est.	1999 est.	
<b>Obligations by program activity:</b>				
00.01	Interest expense on certificates of beneficial ownership .....	296	361	361
00.02	Interest expense, FFB direct .....	1,232	990	990
00.03	Other interest expense .....	226	102	102
00.04	Public debt .....	2,729	78	99
00.05	Other .....	8	7	7
10.00	Total obligations .....	4,491	1,538	1,559
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance available, start of year: Uninvested .....	1,848	359	939
22.00	New budget authority (gross) .....	2,991	2,117	2,767
22.10	Resources available from recoveries of prior year obligations .....	999	1	
22.70	Balance of authority to borrow withdrawn .....	-988		
23.90	Total budgetary resources available for obligation .....	4,850	2,477	3,706
23.95	New obligations .....	-4,491	-1,538	-1,559
24.40	Unobligated balance available, end of year: Uninvested .....	359	939	2,147
<b>New budget authority (gross), detail:</b>				
Current:				
40.36	Unobligated balance rescinded .....		-6	-4
Permanent:				
62.00	Transferred from other accounts .....	18	18	18
67.15	Authority to borrow (indefinite) .....	2,157		
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash) .....	3,310	2,893	3,387
68.47	Portion applied to debt reduction .....	-2,494	-788	-634
68.90	Spending authority from offsetting collections (total) .....	816	2,105	2,753

**General and special funds—Continued**

**RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LIQUIDATING ACCOUNT—Continued**

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

Identification code 12-4230-0-3-271	1997 actual	1998 est.	1999 est.
70.00 Total new budget authority (gross) .....	2,991	2,117	2,767
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	2,046	3,132	2,181
73.10 New obligations .....	4,491	1,538	1,559
73.20 Total outlays (gross) .....	-2,406	-2,487	-1,226
73.45 Adjustments in unexpired accounts .....	-999	-1	
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	3,132	2,181	2,514
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	816	2,104	1,226
86.98 Outlays from permanent balances .....	1,590	383	
87.00 Total outlays (gross) .....	2,406	2,487	1,226
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Loans repaid .....	-1,655	-1,446	-1,693
88.40 Interest from loans .....	-1,466	-1,281	-1,500
88.40 Other .....	-189	-166	-194
88.90 Total, offsetting collections (cash) .....	-3,310	-2,893	-3,387
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-319	-776	-620
90.00 Outlays .....	-903	-406	-2,161

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

Identification code 12-4230-0-3-271	1997 actual	1998 est.	1999 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	30,459	28,246	26,838
1231 Disbursements: Direct loan disbursements .....	64	39	25
1251 Repayments: Repayments and prepayments .....	-1,655	-1,425	-1,682
1264 Write-offs for default: Other adjustments, net .....	-622	-22	-11
1290 Outstanding, end of year .....	28,246	26,838	25,170

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

Identification code 12-4230-0-3-271	1997 actual	1998 est.	1999 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	667	642	622
2251 Repayments and prepayments .....	-25	-20	-20
2290 Outstanding, end of year .....	642	622	602
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	642	622	602

**STATUS OF AGENCY DEBT**

(In millions of dollars)

	1997 actual	1998 est.	1999 est.
Agency Debt Held by FFB:			
Outstanding FFB Direct, start of year .....	15,448	13,448	13,065
Outstanding Certificate of Beneficial Ownership (CBO's), start of year .....	4,599	4,599	4,599
New agency borrowing, FFB Direct .....	24	11	5
Repayments and prepayments, FFB Direct .....	-2,024	-394	-394
Outstanding FFB Direct, end of year .....	13,448	13,065	12,676
Outstanding CBO's, end of year .....	4,599	4,599	4,599

As required by the Federal Credit Reform Act of 1990, this account records, for rural electrification and telecommunications programs, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. All new activity in RETRF in 1992

and beyond is recorded in corresponding program and financing accounts.

The Rural Utilities Service will continue to service all loans in this account providing business management and technical assistance to the borrowers on a regular basis over the life of the loans.

*Rural electric.*—This program is financed through RUS direct loans for the construction and operation of generating plants, electric transmission, and distribution lines or systems.

**ELECTRIC PROGRAM STATISTICS**

(dollars in millions)

	1997 actual	1998 est.	1999 est.
Cumulative RUS financed direct loans .....	21,859	21,859	21,859
Cumulative FFB financed direct loans .....	27,712	27,712	27,712
Cumulative RUS funds advanced .....	21,821	21,823	21,825
Unadvanced RUS funds, end of year .....	38	36	34
Cumulative RUS principal repaid .....	11,977	12,594	13,211
Cumulative RUS interest paid .....	10,300	10,712	11,124
Cumulative loan guarantee commitments <sup>1</sup> .....	3,967	3,967	3,967
Number of borrowers .....	815	790	765

<sup>1</sup> Represents loans financed by private lenders, including refinanced direct loans, FFB.

*Rural telecommunications.*—This loan program is financed through RUS direct loans for the construction, expansion, and operation of telecommunications lines and facilities or systems.

**TELECOMMUNICATIONS PROGRAM STATISTICS**

(dollars in millions)

	1997 actual	1998 est.	1999 est.
Cumulative RUS financed direct loans .....	6,066	6,065	6,064
Cumulative FFB financed direct loans .....	579	579	579
Cumulative RUS funds advanced .....	5,832	5,841	5,850
Unadvanced RUS funds, end of period .....	234	224	214
Cumulative RUS principal repaid .....	2,880	3,050	3,220
Cumulative RUS interest paid .....	2,416	2,541	2,666
Cumulative loan guarantee commitments <sup>1</sup> .....	3	3	3
Number of borrowers .....	833	840	845

<sup>1</sup> Other lenders—privately financed direct loans, FFB.

**Statement of Operations (in millions of dollars)**

Identification code 12-4230-0-3-271	1996 actual	1997 actual	1998 est.	1999 est.
<b>ELECTRIC PROGRAM:</b>				
0111 Revenue .....	1,902	1,902	1,823	1,750
0112 Expense .....	-2,750	-3,488	-3,308	-3,143
0119 Net loss (-), Electric program .....	-848	-1,586	-1,485	-1,393
<b>TELEPHONE PROGRAM:</b>				
0121 Revenue .....	159	90	86	86
0122 Expense .....	-91	-364	-64	-64
0129 Net income or loss (-), Telephone program .....	68	-274	22	22
0191 Total revenues .....	2,061	1,992	1,909	1,836
0192 Total expenses .....	-2,841	-3,852	-3,372	-3,207
0199 Net loss (-) .....	-780	-1,860	-1,463	-1,371

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

Identification code 12-4230-0-3-271	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	1,915	208	200	
Investments in US securities:				
1106 Receivables, net .....	67			
1206 Non-Federal assets: Receivables, net .....	194			
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross (Electric) .....	27,073	25,156	23,902	22,381
1602 Interest receivable .....		12	12	12
1603 Allowance for estimated uncollectible loans and interest (-) .....	-4,724	-5,031	-5,874	-6,379

1604	Direct loans and interest receivable, net .....	22,349	20,137	18,040	16,014
1699	Value of assets related to direct loans .....	22,349	20,137	18,040	16,014
1901	Other Federal assets: Other assets .....	2,769	4,355	5,840	
1999	Total assets .....	24,525	23,114	22,595	21,854
<b>LIABILITIES:</b>					
Federal liabilities:					
2102	Interest payable .....	304			
2103	Debt .....	24,948	22,338	22,020	21,480
2105	Other .....	3	3	3	3
Non-Federal liabilities:					
2202	Interest payable .....	33	26	20	20
2203	Debt .....	2,863	2,156	1,938	1,744
2204	Liabilities for loan guarantees .....		177	99	
2999	Total liabilities .....	28,148	24,700	24,080	23,247
<b>NET POSITION:</b>					
3100	Appropriated capital .....	1,896			
3300	Cumulative results of operations .....	-5,518	-1,586	-1,485	-1,393
3999	Total net position .....	-3,622	-1,586	-1,485	-1,393
4999	Total liabilities and net position .....	24,526	23,114	22,595	21,854
<b>ASSETS:</b>					
Federal assets: Fund balances with Treasury .....					
1101	Non-Federal assets:	300	458	500	400
Investments in non-Federal securities, net .....					
1201	Receivables, net .....	592	556	538	520
1206	Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:	12	1		
1601	Direct loans, gross (Telephone) .....	3,386	3,090	2,936	2,789
1602	Interest receivable .....		7	7	7
1603	Allowance for estimated uncollectible loans and interest (-) .....	-15	214	158	338
1604	Direct loans and interest receivable, net .....	3,371	3,311	3,101	3,134
1699	Value of assets related to direct loans .....	3,371	3,311	3,101	3,134
1999	Total assets .....	4,275	4,326	4,139	4,054
<b>LIABILITIES:</b>					
Federal liabilities:					
2102	Interest payable .....	3			
2103	Debt .....	2,428	2,271	2,080	1,991
2104	Resources payable to Treasury .....		2,322	2,030	2,034
2105	Other .....	7	7	7	7
Non-Federal liabilities:					
2201	Accounts payable .....	2			
2207	Other .....	22			
2999	Total liabilities .....	2,455	4,600	4,117	4,032
<b>NET POSITION:</b>					
3100	Appropriated capital .....	730			
3300	Cumulative results of operations .....	1,089	-274	22	22
3999	Total net position .....	1,819	-274	22	22
4999	Total liabilities and net position .....	4,274	4,326	4,139	4,054

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

Identification code 12-4230-0-3-271	1997 actual	1998 est.	1999 est.
25.2 Other services .....	7	7	7
33.0 Investments and loans .....	2,729	78	99
43.0 Interest and dividends .....	1,755	1,453	1,453
99.9 Total obligations .....	4,491	1,538	1,559

**RURAL TELEPHONE BANK PROGRAM ACCOUNT**  
(INCLUDING TRANSFERS OF FUNDS)

The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds available to such corporation in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as may be necessary

in carrying out its authorized programs for the current fiscal year. During fiscal year [1998] 1999 and within the resources and authority available, gross obligations for the principal amount of direct loans shall be \$175,000,000.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct loans authorized by the Rural Electrification Act of 1936 (7 U.S.C. 935), [\$3,710,000] \$4,637,500, to be derived by transfer from unobligated balances in the Rural Telephone Bank Liquidating Account.

In addition, for administrative expenses necessary to carry out the loan programs, \$3,000,000, to be derived by transfer from unobligated balances in the Rural Telephone Bank Liquidating Account, which shall be transferred to and merged with the appropriation for "Rural Utilities Service—Salaries and Expenses". (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)

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

Identification code 12-1231-0-1-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy .....	1	4	5
00.05 Reestimates of Direct Loan Subsidy .....	8		
00.06 Interest on Reestimates of Direct Loan Subsidy .....	2		
00.09 Administrative expenses subject to limitation .....	4	3	3
10.00 Total obligations .....	15	7	8
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	2	2	2
22.00 New budget authority (gross) .....	16	7	8
22.30 Unobligated balance expiring .....	-1		
23.90 Total budgetary resources available for obligation .....	17	9	10
23.95 New obligations .....	-15	-7	-8
24.40 Unobligated balance available, end of year:			
Uninvested .....	2	2	2
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	6	7	
42.00 Transferred from other accounts .....			8
43.00 Appropriation (total) .....	6	7	8
Permanent:			
60.05 Appropriation (indefinite) .....	10		
70.00 Total new budget authority (gross) .....	16	7	8
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	7	8	9
73.10 New obligations .....	15	7	8
73.20 Total outlays (gross) .....	-14	-6	-5
73.40 Adjustments in expired accounts .....	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	8	9	11
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	4	3	3
86.93 Outlays from current balances .....		3	3
86.97 Outlays from new permanent authority .....	10		
87.00 Total outlays (gross) .....	14	6	5
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	16	7	8
90.00 Outlays .....	14	6	5

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

Identification code 12-1231-0-1-452	1997 actual	1998 est.	1999 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loan levels .....	176	175	175
1159 Total direct loan levels .....	176	175	175
Direct loan subsidy (in percent):			
1320 Subsidy rate .....	3.00	2.12	2.65
1329 Weighted average subsidy rate .....	3.00	2.12	2.65

**General and special funds—Continued**

**RURAL TELEPHONE BANK PROGRAM ACCOUNT—Continued**  
**(INCLUDING TRANSFERS OF FUNDS)—Continued**

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

Identification code 12-1231-0-1-452	1997 actual	1998 est.	1999 est.
<b>Direct loan subsidy budget authority:</b>			
1330 Subsidy budget authority .....	11	4	5
1339 Total subsidy budget authority .....	11	4	5
1339 Total subsidy budget authority .....	1	4	5
<b>Direct loan subsidy outlays:</b>			
1340 Subsidy outlays .....	7	3	2
1349 Total subsidy outlays .....	7	3	2
<b>Administrative expense data:</b>			
3510 Budget authority .....	4	3	3
3590 Outlays .....	4	3	3

In 1999, the Rural Telephone Bank (RTB) is proposed to become a Performance Based Organization to establish its financial and operational independence prior to its being privatized within ten years. Funding for the RTB's loan subsidies and administrative expenses will be transferred from the unobligated balances in the RTB liquidating account.

As required by the Federal Credit Reform Act of 1990, this account records, for the Rural Telephone Bank, the subsidy costs associated with the direct loans obligated in 1992 and beyond as well as administrative expenses for the program. The subsidy amounts are estimated on a present value basis; administrative expenses are estimated on a cash basis.

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

Identification code 12-1231-0-1-452	1997 actual	1998 est.	1999 est.
25.3 Purchases of goods and services from Government accounts .....	4	3	3
41.0 Grants, subsidies, and contributions .....	9	4	5
43.0 Interest and dividends .....	2		
99.9 Total obligations .....	15	7	8

**RURAL TELEPHONE BANK DIRECT LOAN FINANCING ACCOUNT**

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

Identification code 12-4210-0-3-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans .....	100	175	175
00.03 Interest on Treasury borrowing .....	16	248	304
10.00 Total obligations .....	116	423	479
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross) .....	146	424	480
22.10 Resources available from recoveries of prior year obligations .....	30		
22.60 Redemption of debt .....	-30		
22.70 Balance of authority to borrow withdrawn .....	-30		
23.90 Total budgetary resources available for obligation .....	116	424	480
23.95 New obligations .....	-116	-423	-479
<b>New financing authority (gross), detail:</b>			
67.15 Authority to borrow (indefinite) .....	96	341	397
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	54	82	81
68.10 Change in orders on hand from Federal sources .....	1	1	2
68.47 Portion applied to debt reduction .....	-5		
68.90 Spending authority from offsetting collections (total) .....	50	83	83
70.00 Total new financing authority (gross) .....	146	424	480

**Change in unpaid obligations:**

<b>Unpaid obligations, start of year:</b>			
72.40 Obligated balance: Uninvested .....	639	674	599
72.95 Receivables from program account .....	7	8	9
72.99 Total unpaid obligations, start of year .....	646	682	608
73.10 New obligations .....	116	423	479
73.20 Total financing disbursements (gross) .....	-51	-497	-501
73.45 Adjustments in unexpired accounts .....	-30		
<b>Unpaid obligations, end of year:</b>			
74.40 Obligated balance: Uninvested .....	674	599	575
74.95 Receivables from program account .....	8	9	11
74.99 Total unpaid obligations, end of year .....	682	608	586
87.00 Total financing disbursements (gross) .....	51	497	501

**Offsets:**

<b>Against gross financing authority and financing disbursements:</b>			
<b>Offsetting collections (cash) from:</b>			
<b>Federal sources: Payment from Program Account</b>			
88.00	-10	-3	-2
<b>Interest on uninvested funds</b>			
88.25	-9	-24	-11
<b>Non-Federal sources:</b>			
88.40	-22	-8	-12
88.40	-11	-35	-47
88.40	-2	-12	-9
88.90	-54	-82	-81
88.95	-1	-1	-2

**Net financing authority and financing disbursements:**

89.00	91	341	397
90.00	-3	415	420

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

Identification code 12-4210-0-3-452	1997 actual	1998 est.	1999 est.
<b>Position with respect to appropriations act limitation on obligations:</b>			
1111 Limitation on direct loans .....	176	175	175
1112 Unobligated direct loan limitation .....	-76		
1150 Total direct loan obligations .....	100	175	175
<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year .....	191	203	443
1231 Disbursements: Direct loan disbursements .....	34	248	197
1251 Repayments: Repayments and prepayments .....	-22	-8	-12
1264 Write-offs for default: Other adjustments, net .....			
1290 Outstanding, end of year .....	203	443	628

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

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

Identification code 12-4210-0-3-452	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
<b>Federal assets:</b>				
1101		193	202	240
<b>Investments in US securities:</b>				
1106	10	8	9	11
<b>Net value of assets related to post-1991 direct loans receivable:</b>				
1401	158	203	443	628
1402		11	35	59
1405	-8	-13	-14	-16
1499	150	201	464	671
1999	160	402	675	922
<b>LIABILITIES:</b>				
2103	152	368	662	906
2201	8	32	9	11
2999	160	400	671	917

NET POSITION:

3100	Appropriated capital .....	2	4	5
3999	Total net position .....	2	4	5
4999	Total liabilities and net position .....	160	402	675
		922		

RURAL TELEPHONE BANK LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4231-0-3-452	1997 actual	1998 est.	1999 est.	
<b>Obligations by program activity:</b>				
00.01	Dividends .....	22	15	18
10.00	Total obligations (object class 43.0) .....	22	15	18
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance available, start of year:			
	Uninvested .....	-239	282	408
22.00	New budget authority (gross) .....	530	141	162
22.10	Resources available from recoveries of prior year obligations .....	13		
23.90	Total budgetary resources available for obligation .....	304	423	570
23.95	New obligations .....	-22	-15	-18
24.40	Unobligated balance available, end of year:			
	Uninvested .....	282	408	552
<b>New budget authority (gross), detail:</b>				
Current:				
41.00	Transferred to other accounts .....			-8
Permanent:				
61.00	Transferred to other accounts .....	-18	-18	-18
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash) .....	602	193	213
68.47	Portion applied to debt reduction .....	-54	-34	-25
68.90	Spending authority from offsetting collections (total) .....	548	159	188
70.00	Total new budget authority (gross) .....	530	141	162
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Uninvested .....	242	201	174
73.10	New obligations .....	22	15	18
73.20	Total outlays (gross) .....	-50	-42	-42
73.45	Adjustments in unexpired accounts .....	-13		
74.40	Unpaid obligations, end of year: Obligated balance:			
	Uninvested .....	201	174	150
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new permanent authority .....	50	15	18
86.98	Outlays from permanent balances .....		27	24
87.00	Total outlays (gross) .....	50	42	42
<b>Offsets:</b>				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-413		
Non-Federal sources:				
88.40	Loans repaid .....	-96	-100	-120
88.40	Interest from loans .....	-92	-92	-92
88.40	Sales of stock .....	-1	-1	-1
88.90	Total, offsetting collections (cash) .....	-602	-193	-213
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	-72	-52	-51
90.00	Outlays .....	-552	-151	-171

Status of Direct Loans (in millions of dollars)

Identification code 12-4231-0-3-452	1997 actual	1998 est.	1999 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	1,328	1,264	1,194
1231	Disbursements: Direct loan disbursements .....	32	30	27
1251	Repayments: Repayments and prepayments .....	-96	-100	-120
1290	Outstanding, end of year .....	1,264	1,194	1,101

As required by the Federal Credit Reform Act of 1990, this account records, for the Rural Telephone Bank (RTB), all cash flows to and from the Government resulting from direct loans obligated prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and beyond is recorded in corresponding program and financing accounts. Funding for both subsidy budget authority and the related salaries and expenses will be transferred from the unobligated balances in the RTB liquidating account in 1999.

The RTB provides a supplemental source of financing for rural telecommunications borrowers. The Bank charges an interest rate based on the cost of money to the Bank, as prescribed by law, but not less than 5 percent per annum.

In accordance with section 406(c) of the Rural Electrification Act of 1936, as amended, the first redemption of class A stock occurred on September 30, 1996. Redemption of class A stock will continue, as allowed by law, toward the full privatization of the Rural Telephone Bank required by law. In 1999, the RTB is proposed to become a Performance Based Organization to establish its commercial viability prior to its being privatized within ten years.

Administrative support is provided for the general operations of the Bank by RUS employees and the Office of the General Counsel.

PROGRAM STATISTICS

(dollars in millions)

	1997 actual	1998 est.	1999 est.
Cumulative net loans .....	3,481	3,616	3,751
Cumulative loan funds, advanced .....	2,611	2,746	2,871
Unadvanced loan funds, end of year .....	870	870	880
Cumulative principal repaid .....	1,178	1,298	1,418
Cumulative interest paid .....	2,030	2,135	2,240
Number of borrowers .....	710	725	735

Statement of Operations (in millions of dollars)

Identification code 12-4231-0-3-452	1996 actual	1997 actual	1998 est.	1999 est.
0101	Revenue .....	100	120	120
0102	Expense .....	-31	-28	-25
0109	Net income or loss (-) .....	69	92	95

Balance Sheet (in millions of dollars)

Identification code 12-4231-0-3-452	1996 actual	1997 actual	1998 est.	1999 est.	
<b>ASSETS:</b>					
1101	Federal assets: Fund balances with Treasury .....	15	483	582	710
1206	Non-Federal assets: Receivables, net .....	4	4	4	4
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross .....	1,328	1,264	1,194	1,101
1603	Allowance for estimated uncollectible loans and interest (-) .....	-8	-8	-7	-7
1604	Direct loans and interest receivable, net .....	1,320	1,256	1,187	1,094
1699	Value of assets related to direct loans .....	1,320	1,256	1,187	1,094
1999	Total assets .....	1,339	1,743	1,773	1,808
<b>LIABILITIES:</b>					
Federal liabilities:					
2102	Interest payable .....	16			
2103	Debt .....	388	334	300	275
Non-Federal liabilities:					
2201	Accounts payable .....	2			
2207	Other .....	359	853	935	1,013
2999	Total liabilities .....	765	1,187	1,235	1,288
<b>NET POSITION:</b>					
3100	Appropriated capital .....	574	556	538	520
3999	Total net position .....	574	556	538	520

**General and special funds—Continued**

**RURAL TELEPHONE BANK LIQUIDATING ACCOUNT—Continued**

**Balance Sheet (in millions of dollars)—Continued**

Identification code 12-4231-0-3-452	1996 actual	1997 actual	1998 est.	1999 est.
4999 Total liabilities and net position .....	1,339	1,743	1,773	1,808

**DISTANCE LEARNING AND [MEDICAL LINK] TELEMEDICINE PROGRAM**

For the cost of direct loans and grants, as authorized by 7 U.S.C. 950aaa et seq., [S12,530,000] \$15,180,000, to remain available until expended, to be available for loans and grants for telemedicine and distance learning services in rural areas: *Provided*, That the costs of direct loans shall be as defined in section 502 of the Congressional Budget Act of 1974. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-1232-0-1-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Distance Learning and Medical Link Grants .....	7	22	15
10.00 Total obligations (object class 41.0) .....	7	22	15
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....		9	
22.00 New budget authority (gross) .....	16	13	15
23.90 Total budgetary resources available for obligation	16	22	15
23.95 New obligations .....	-7	-22	-15
24.40 Unobligated balance available, end of year:			
Uninvested .....	9		
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	9	13	15
Permanent:			
68.00 Spending authority from offsetting collections: Off-			
setting collections (cash) .....	7		
70.00 Total new budget authority (gross) .....	16	13	15
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	17	15	14
73.10 New obligations .....	7	22	15
73.20 Total outlays (gross) .....	-9	-22	-25
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	15	14	4
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	2	10	11
86.93 Outlays from current balances .....	2	12	14
86.97 Outlays from new permanent authority .....	7		
87.00 Total outlays (gross) .....	9	22	25
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-7		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	9	13	15
90.00 Outlays .....	3	22	25

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

Identification code 12-1232-0-1-452	1997 actual	1998 est.	1999 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loan levels .....	150	150	150
1159 Total direct loan levels .....	150	150	150
Direct loan subsidy (in percent):			
1320 Subsidy rate .....	1.02	0.02	0.12

1329 Weighted average subsidy rate .....	1.02	0.02	0.12
Direct loan subsidy budget authority:			
1330 Subsidy budget authority .....			
Total subsidy budget authority .....			
1339 Total subsidy budget authority .....			
Direct loan subsidy outlays:			
1340 Subsidy outlays .....			
Total subsidy outlays .....			
1349 Total subsidy outlays .....			

The loan and grant program provides access to advanced telecommunications services for improved education and health care in rural areas throughout the country. The loans and grants help education and health care providers bring the most modern technology, level of care, and education to rural America so its citizens can compete regionally, nationally, and globally.

**DISTANCE LEARNING AND MEDICAL LINK DIRECT LOAN FINANCING ACCOUNT**

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

Identification code 12-4146-0-3-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct Loans .....		300	150
00.02 Interest on Treasury Borrowing .....		5	21
10.00 Total obligations .....		305	171
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross) .....		305	171
23.95 New obligations .....		-305	-171
<b>New financing authority (gross), detail:</b>			
67.15 Authority to borrow (indefinite) .....		293	136
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....		19	57
68.47 Portion applied to debt reduction .....		-7	-22
68.90 Spending authority from offsetting collections (total) .....		12	35
70.00 Total new financing authority (gross) .....		305	171
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....			215
73.10 New obligations .....		305	171
73.20 Total financing disbursements (gross) .....		-90	-195
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....		215	191
87.00 Total financing disbursements (gross) .....		90	195
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds .....		-6	-18
Non-Federal sources:			
88.40 Repayment of principal .....		-7	-22
88.40 Interest received on loans .....		-6	-17
88.90 Total, offsetting collections (cash) .....		-19	-57
88.95 Change in receivables from program accounts .....			
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....		286	114
90.00 Financing disbursements .....		71	138

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

Identification code 12-4146-0-3-452	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	150	150	150
1112 Unobligated direct loan limitation .....	-150	150	
1150 Total direct loan obligations .....		300	150

Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	83	
1231	Disbursements: Direct loan disbursements	90	195
1251	Repayments: Repayments and prepayments	-7	-22
1290	Outstanding, end of year	83	256

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

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

Identification code 12-4146-0-3-452	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
Federal assets:				
1101	Fund balances with Treasury			
Investments in US securities:				
1106	Receivables, net			
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross		83	256
1402	Interest receivable		6	17
1405	Allowance for subsidy cost (-)		-6	-17
1499	Net present value of assets related to direct loans		83	256
1999	Total assets		83	256
<b>LIABILITIES:</b>				
2101	Federal liabilities: Accounts payable		83	256
2999	Total liabilities		83	256
<b>NET POSITION:</b>				
3100	Appropriated capital			
3999	Total net position			
4999	Total liabilities and net position		83	256

67.15	Authority to borrow (indefinite)	236	307
Spending authority from offsetting collections:			
68.00	Offsetting collections (cash)	503	477
68.47	Portion applied to debt reduction	-50	
68.90	Spending authority from offsetting collections (total)	503	427
70.00	Total new budget authority (gross)	635	663

**Change in unpaid obligations:**

72.40	Unpaid obligations, start of year: Obligated balance:		
	Uninvested	292	258
73.10	New obligations	632	663
73.20	Total outlays (gross)	-647	-673
73.40	Adjustments in expired accounts	-5	
73.45	Adjustments in unexpired accounts	-14	
74.40	Unpaid obligations, end of year: Obligated balance:		
	Uninvested	258	248

**Outlays (gross), detail:**

86.97	Outlays from new permanent authority	337	378
86.98	Outlays from permanent balances	310	295
87.00	Total outlays (gross)	647	673

**Offsets:**

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40	Repayments on loans held by fund	-229	-207
88.40	Repayments of guaranteed loans purchased from investors	-28	-9
88.40	Interest revenue	-244	-256
88.40	Loan repayments on behalf of investors		
88.40	Interest income on investment	-4	-5
88.40	Guaranteed loss recoveries		
88.40	Other revenue	2	
88.90	Total, offsetting collections (cash)	-503	-477

**Net budget authority and outlays:**

89.00	Budget authority	132	186
90.00	Outlays	144	196

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

Identification code 12-4155-0-3-452	1997 actual	1998 est.	1999 est.
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	4,349	4,135
Disbursements:			
1231	Direct loan disbursements	13	7
1232	Purchase of loans assets from the public	4	3
1251	Repayments: Repayments and prepayments	-229	-207
1263	Write-offs for default: Direct loans	-2	-2
1290	Outstanding, end of year	4,135	3,936

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

Identification code 12-4155-0-3-452	1997 actual	1998 est.	1999 est.
2199	Guaranteed amount of guaranteed loan commitments		
Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year	500	375
2231	Disbursements of new guaranteed loans	3	
2251	Repayments and prepayments	-74	-52
Adjustments:			
2263	Terminations for default that result in claim payments	-42	-30
2264	Other adjustments, net	-12	
2290	Outstanding, end of year	375	293

**Memorandum:**

2299	Guaranteed amount of guaranteed loans outstanding, end of year	337	264
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The Rural Development Insurance Fund (RDIF) was established on October 1, 1972, pursuant to section 116 of the Rural Development Act of 1972 (Public Law 92-419).

The fund is used to insure or guarantee loans for water systems and waste disposal facilities, community facilities,

**RURAL DEVELOPMENT INSURANCE FUND LIQUIDATING ACCOUNT**

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

Identification code 12-4155-0-3-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
Operating expenses:			
00.02	Purchase of loans from investors	2	
00.03	Redemption of public CBO debt	1	1
00.91	Total operating expenses	1	3
Capital investment:			
01.01	Interest on FFB borrowings	515	515
01.05	Interest on Treasury borrowings	106	134
01.06	Loss settlement expense on guaranteed loans	4	11
01.09	Undistributed charges	6	
01.91	Total capital investment	631	660
10.00	Total obligations	632	663
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance available, start of year:		
	Uninvested	23	37
22.00	New budget authority (gross)	635	663
22.10	Resources available from recoveries of prior year obligations	14	
22.60	Redemption of debt	-1	-1
22.70	Balance of authority to borrow withdrawn	-2	
23.90	Total budgetary resources available for obligation	669	699
23.95	New obligations	-632	-663
24.40	Unobligated balance available, end of year:		
	Uninvested	37	36
<b>New budget authority (gross), detail:</b>			
60.05	Appropriation (indefinite)	162	480
60.47	Portion applied to debt reduction	-30	-340
63.00	Appropriation (total)	132	140

**General and special funds—Continued**

**RURAL DEVELOPMENT INSURANCE FUND LIQUIDATING ACCOUNT—  
Continued**

and industrial development in rural areas. Communities unable to afford low interest loans for water and waste disposal facilities are also able to obtain water and waste disposal grants.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. All new activity in this program is recorded in corresponding program accounts and financing accounts.

In 1994, these loan programs were administered by the Rural Development Administration. Under reorganization of the Department of Agriculture, the water and waste direct and guaranteed loan programs are administered by the Rural Utilities Service, the community facility direct and guaranteed loan programs are administered by the Rural Housing Service, and the business and industry direct and guaranteed loan programs are administered by the Rural Business-Cooperative Service.

**Statement of Operations (in millions of dollars)**

Identification code 12-4155-0-3-452	1996 actual	1997 actual	1998 est.	1999 est.
0101 Revenue .....	234	234	231	220
0102 Expense .....	-675	-618	-586	-577
0109 Net income or loss (-) .....	-441	-384	-355	-357

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

Identification code 12-4155-0-3-452	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	316	304	62	15
Non-Federal assets:				
1201 Investments in non-Federal securities, net .....	34	34	34	34
1206 Receivables, net .....	63	61	47	33
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	4,349	4,135	3,937	3,738
1603 Allowance for estimated uncollectible loans and interest (-) .....	-1,666	-1,584	-1,492	-1,345
1604 Direct loans and interest receivable, net .....	2,683	2,551	2,445	2,393
1699 Value of assets related to direct loans .....	2,683	2,551	2,445	2,393
1901 Other Federal assets: Other assets .....	155	96	72	55
1999 Total assets .....	3,251	3,046	2,660	2,530
<b>LIABILITIES:</b>				
Federal liabilities:				
2102 Interest payable .....	-1			
2103 Debt .....	4,831	4,801	4,455	4,380
2104 Resources payable to Treasury .....	60	32	41	41
2105 Other .....	23	19	18	19
Non-Federal liabilities:				
2201 Public .....	137	149	119	163
2202 Interest payable .....	121	107	134	90
2203 Debt .....	3	3	3	2
2999 Total liabilities .....	5,174	5,111	4,770	4,695
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....	-1,924	-2,065	-2,109	-2,164
3999 Total net position .....	-1,924	-2,065	-2,109	-2,164
4999 Total liabilities and net position .....	3,250	3,046	2,661	2,531

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

Identification code 12-4155-0-3-452	1997 actual	1998 est.	1999 est.
25.2 Other services .....	4	11	

33.0	Investments and loans .....	1	3	1
43.0	Interest and dividends .....	621	649	631
92.0	Undistributed .....	6		
99.9	Total obligations .....	632	663	632

**RURAL COMMUNICATION DEVELOPMENT FUND LIQUIDATING ACCOUNT**

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

Identification code 12-4142-0-3-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
09.00 Reimbursable program .....	3	3	3
10.00 Total obligations (object class 43.0) .....	3	3	3
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	1	1	1
22.00 New budget authority (gross) .....	3	3	3
23.90 Total budgetary resources available for obligation .....	4	4	4
23.95 New obligations .....	-3	-3	-3
24.40 Unobligated balance available, end of year:			
Uninvested .....	1	1	1
<b>New budget authority (gross), detail:</b>			
60.05 Appropriation (indefinite) .....	2	2	2
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1	1	1
70.00 Total new budget authority (gross) .....	3	3	3
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	1	2	2
73.10 New obligations .....	3	3	3
73.20 Total outlays (gross) .....	-3	-3	-3
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	2	2	2
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	2	2	2
86.98 Outlays from permanent balances .....	1	1	1
87.00 Total outlays (gross) .....	3	3	3
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-1	-1	-1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	2	2	2
90.00 Outlays .....	2	2	2

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

Identification code 12-4142-0-3-452	1997 actual	1998 est.	1999 est.
<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year .....	9	9	8
1251 Repayments: Repayments and prepayments .....		-1	
1290 Outstanding, end of year .....	9	8	8

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

Identification code 12-4142-0-3-452	1997 actual	1998 est.	1999 est.
<b>Cumulative balance of guaranteed loans outstanding:</b>			
2210 Outstanding, start of year .....	5	5	4
2251 Repayments and prepayments .....		-1	
2290 Outstanding, end of year .....	5	4	4
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	5	4	4

The Rural Communication Development Fund was established pursuant to the Secretary's Memorandum No. 1988,



approved May 22, 1979. No loans have been made through this account since before 1992.

**Statement of Operations** (in millions of dollars)

Identification code 12-4142-0-3-452	1996 actual	1997 actual	1998 est.	1999 est.
0101 Revenue .....	1	1	1	1
0102 Expense .....	-3	-3	-3	-3
0109 Net income or loss (-) .....	-2	-2	-2	-2

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

Identification code 12-4142-0-3-452	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	2	2	2	2
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	10	9	9	9
1603 Allowance for estimated uncollectible loans and interest (-) .....	-3	-3	-3	-3
1604 Direct loans and interest receivable, net .....	7	6	6	6
1699 Value of assets related to direct loans .....	7	6	6	6
1999 Total assets .....	9	8	8	8
<b>LIABILITIES:</b>				
Federal liabilities:				
2102 Interest payable .....	1	1	1	1
2103 Debt .....	25	25	25	25
2204 Non-Federal liabilities: Liabilities for loan guarantees .....	1	1	1	1
2999 Total liabilities .....	27	27	27	27
<b>NET POSITION:</b>				
3100 Appropriated capital .....	11	13	14	14
3300 Cumulative results of operations .....	-29	-32	-33	-33
3999 Total net position .....	-18	-19	-19	-19
4999 Total liabilities and net position .....	9	8	8	8

**Trust Funds**

**RURAL TELEPHONE BANK EQUITY FUND**

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

Identification code 12-8139-0-7-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations (object class 41.0) .....	413		
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year: Uninvested .....	413		
23.95 New obligations .....	-413		
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....	413		
73.20 Total outlays (gross) .....	-413		
<b>Outlays (gross), detail:</b>			
86.98 Outlays from permanent balances .....	413		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	413		

The Rural Telephone Bank Equity Fund was established in 1993. Class B Stock equity funds transferred to this account include: (1) five percent of each loan repayment received in the financing account and (2) current class B Stock purchases in the liquidating account.

This account was abolished in 1997 pursuant to section 718 of Public Law 104-180, Agriculture, Rural Development,

Food and Drug Administration, and Related Agencies Appropriations Act, 1997. The balances in this account were transferred to the Rural Telephone Bank Liquidating account.

**RURAL HOUSING SERVICE**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses of the Rural Housing Service, including administering the programs authorized by the Consolidated Farm and Rural Development Act, title V of the Housing Act of 1949, and cooperative agreements, **[\$58,804,000] \$60,978,000**. *Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$520,000 may be used for employment under 5 U.S.C. 3109. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)*

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

Identification code 12-1952-0-1-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct program .....	45	59	61
09.01 Reimbursable program .....	423	412	415
10.00 Total obligations .....	468	471	476
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	484	471	476
22.30 Unobligated balance expiring .....	-16		
23.90 Total budgetary resources available for obligation .....	468	471	476
23.95 New obligations .....	-468	-471	-476
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	61	59	61
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	423	412	415
70.00 Total new budget authority (gross) .....	484	471	476
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested .....	64	69	122
73.10 New obligations .....	468	471	476
73.20 Total outlays (gross) .....	-466	-418	-465
73.40 Adjustments in expired accounts .....	3		
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested .....	69	122	133
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	39	51	52
86.93 Outlays from current balances .....	6		6
86.97 Outlays from new permanent authority .....	370	354	357
86.98 Outlays from permanent balances .....	51	13	50
87.00 Total outlays (gross) .....	466	418	465
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-423	-412	-415
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	61	59	61
90.00 Outlays .....	43	6	50

The Secretary's reorganization plan established the Rural Housing Service (RHS) in 1995. This agency was formed from the Rural Housing section of Farmers Home Administration and the Community Facilities Division of the Rural Development Administration. RHS delivers rural housing and community facility programs through a system of State, area, and local offices. In 1997, a new Dedicated Loan Origination and

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

Servicing System (DLOS) was implemented to centralize and streamline the servicing activities of the agency. This innovation significantly reduces the cost of operating the individual housing loan programs.

*Administrative Convergence.* The Department is coordinating the functions and personnel of the different field agencies to provide a more seamless and efficient delivery system. By 2002, the proposal would result in a 22 percent reduction in administrative staffing from 1997. Savings by 2002 would equal \$127 million/year. Progress in 1999 would be indicated by the creation of a Support Services Bureau reflecting a new entity made by consolidating the agencies' administrative functions both at the National level and in each State.

Object Classification (in millions of dollars)			
Identification code 12-1952-0-1-452	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	24	31	32
11.3 Other than full-time permanent .....		1	1
11.9 Total personnel compensation .....	24	32	33
12.1 Civilian personnel benefits .....	6	7	7
21.0 Travel and transportation of persons .....	2	2	2
23.2 Rental payments to others .....	2	3	3
23.3 Communications, utilities, and miscellaneous charges .....	3	4	4
25.2 Other services .....	2	4	5
25.3 Purchases of goods and services from Government accounts .....	3	4	4
25.7 Operation and maintenance of equipment .....	1	1	1
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	1	1	1
99.0 Subtotal, direct obligations .....	45	59	61
99.0 Reimbursable obligations .....	423	412	415
99.9 Total obligations .....	468	471	476

**Personnel Summary**

Identification code 12-1952-0-1-452	1997 actual	1998 est.	1999 est.
<b>Direct:</b>			
1001 Total compensable workyears: Full-time equivalent employment .....	591	773	782
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent employment .....	5,635	5,415	5,326

**SALARIES AND EXPENSES  
(FARMERS HOME ADMINISTRATION)**

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

Identification code 12-2001-0-1-452	1997 actual	1998 est.	1999 est.
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested .....	36	22	
73.20 Total outlays (gross) .....	-18		
73.40 Adjustments in expired accounts .....	4	-22	
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested .....	22		
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	18		
87.00 Total outlays (gross) .....	18		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	16		

These funds were used to administer the direct loan, loan guarantee, and grant programs of the Farmers Home Administration and the Rural Development Administration.

In 1995, under the reorganization by the Secretary of Agriculture the Agency has been eliminated and activities previously administered through this account transferred to other Department accounts.

**RURAL HOUSING ASSISTANCE GRANTS  
(INCLUDING TRANSFERS OF FUNDS)**

For grants and contracts for housing for domestic farm labor, very low-income housing repair, supervisory and technical assistance, compensation for construction defects, and rural housing preservation made by the Rural Housing Service as authorized by 42 U.S.C. 1474, 1479(c), 1486, [1490c.] 1490e, and 1490m, [\$45,720,000] \$46,900,000, to remain available until expended: [Provided, That any obligated and unobligated balances available from prior years in "Rural Housing for Domestic Farm Labor", "Supervisory and Technical Assistance Grants", "Very Low-Income Housing Repair Grants", "Compensation for Construction Defects", and "Rural Housing Preservation Grants" shall be transferred to and merged with this account:] Provided [further], That of the total amount appropriated, [\$1,200,000] \$2,000,000 shall be for empowerment zones and enterprise communities, as authorized by Public Law 103-66: Provided further, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, [1998] 1999, they shall remain available for other authorized purposes under this head. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)

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

Identification code 12-1953-0-1-999	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.02 Domestic Farm Labor Grants .....	8	10	13
00.03 Very Low-Income Housing Repair Grants .....	18	25	25
00.05 Supervisory and Technical Assistance Grants .....	1	1	
00.07 Rural Housing Preservation Grants .....	8	11	9
10.00 Total obligations (object class 41.0) .....	35	47	47

**Budgetary resources available for obligation:**

21.40 Unobligated balance available, start of year: Uninvested .....	5	2	1
22.00 New budget authority (gross) .....	31	46	47
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	36	48	48
23.95 New obligations .....	-35	-47	-47
24.40 Unobligated balance available, end of year: Uninvested .....	2	1	1

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

<b>Current:</b>			
40.00 Appropriation .....	130	46	47
41.00 Transferred to other accounts .....	-100		
43.00 Appropriation (total) .....	30	46	47
<b>Permanent:</b>			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1		
70.00 Total new budget authority (gross) .....	31	46	47

**Change in unpaid obligations:**

72.40 Unpaid obligations, start of year: Obligated balance: Uninvested .....	73	56	40
73.10 New obligations .....	35	47	47
73.20 Total outlays (gross) .....	-48	-63	-51
73.40 Adjustments in expired accounts .....	-2		
73.45 Adjustments in unexpired accounts .....	-1		
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested .....	56	40	36

**Outlays (gross), detail:**

86.90 Outlays from new current authority .....	15	26	26
86.93 Outlays from current balances .....	32	37	25
86.97 Outlays from new permanent authority .....	1		

87.00	Total outlays (gross) .....	48	63	51
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-1		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	30	46	47
90.00	Outlays .....	46	63	51
Distribution of budget authority by account:				
	Rural Housing Assistance Grants .....		46	47
	Rural Housing for Domestic Farm Labor Grants .....	7		
	Very Low Income Housing Repair Grants .....	16		
	Rural Housing Preservation Grants .....	8		
Distribution of outlays by account:				
	Rural Housing Assistance Grants .....		63	51
	Rural Housing for Domestic Farm Labor .....	12		
	Supervisory and Technical Assistance Grants .....	3		
	Very Low Income Housing Repair Grants .....	17		
	Rural Housing Preservation Grants .....	15		

This account consolidates five housing grant programs into one account. This consolidation provides more flexibility for distributing rural housing assistance.

The rural housing for domestic farm labor grant program is authorized under section 516 of the Housing Act of 1949, as amended. Grants and contracts are made to public and private nonprofit organizations for low-rent housing and related facilities for domestic farm labor. Grant assistance may not exceed 90 percent of the cost of a project, and may be used for construction of new structures, site acquisition and development, rehabilitation of existing structures, and purchase of furnishings and equipment for dwellings, dining halls, community rooms, and infirmaries.

The very low-income housing repair grant program is authorized under section 504 of the Housing Act of 1949, as amended. This grant program enables very low-income elderly residents in rural areas to improve or modernize their dwellings, to make the dwelling safer or more sanitary, or to remove health and safety hazards.

The supervisory and technical assistance grant program is carried out under the provisions of section 509(f) and 525 of the Housing Act of 1949, as amended. Under section 509, grants are made to public and private nonprofit organizations for packaging loan applications for housing under sections 502, 504, 514/516, 515, and 533 of the Housing Act of 1949, as amended. The assistance is to be directed to underserved areas where at least 20 percent or more of the population is at or below the poverty level, and at least 10 percent or more of the population resides in substandard housing. Under section 525, grants are made to public and private nonprofit organizations and other associations for the developing, conducting, administering or coordinating of technical and supervisory assistance programs to demonstrate the benefits of Federal, State, and local housing programs for low-income families in rural areas.

The compensation for construction defects program is carried out under the provisions of section 509(c) of the Housing Act of 1949, as amended. The Secretary of Agriculture is authorized to make expenditures to correct structural defects, or to pay claims of owners arising from such defects on newly constructed dwellings purchased with RHS financial assistance. Requests for compensation for construction defects must be made within 18 months after the date financial assistance was granted.

The rural housing preservation grant program is authorized under section 533 of the Housing Act of 1949, as amended. Grants are made to eligible nonprofit groups, Indian tribes, or government agencies for rehabilitation of single family housing owned by low- and very low-income families and the rehabilitation of rental and cooperative housing for low- and very low-income families.

RENTAL ASSISTANCE PROGRAM

For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) or agreements entered into in lieu of debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949, as amended, [\$541,397,000] \$583,397,000, and in addition such sums as may be necessary, as authorized by section 521(c) of the Act, to liquidate debt incurred prior to fiscal year 1992 to carry out the rental assistance program under section 521(a)(2) of the Act: *Provided*, That of this amount not more than \$5,900,000 shall be available for debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Act, and not to exceed \$10,000 per project for advances to nonprofit organizations or public agencies to cover direct costs (other than purchase price) incurred in purchasing projects pursuant to section 502(c)(5)(C) of the Act: *Provided further*, That agreements entered into or renewed during fiscal year [1998] 1999 shall be funded for a five-year period, although the life of any such agreement may be extended to fully utilize amounts obligated. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 12-0137-0-1-604	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations (object class 41.0) .....	520	545	583
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year: Fund balance .....		4	
22.00 New budget authority (gross) .....	524	541	583
23.90 Total budgetary resources available for obligation	524	545	583
23.95 New obligations .....	-520	-545	-583
24.40 Unobligated balance available, end of year: Uninvested .....	4		
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	494	541	583
40.05 Appropriation (indefinite) .....	111	76	57
40.47 Portion applied to debt reduction .....	-111	-76	-57
42.00 Transferred from other accounts .....	30		
43.00 Appropriation (total) .....	524	541	583
70.00 Total new budget authority (gross) .....	524	541	583
<b>Change in unpaid obligations:</b>			
Unpaid obligations, start of year:			
Obligated balance:			
Uninvested:			
72.40 Fund balance .....	1,529	1,650	1,733
72.40 Authority to borrow .....	1,005	893	817
72.99 Total unpaid obligations, start of year .....	2,534	2,543	2,550
73.10 New obligations .....	520	545	583
73.20 Total outlays (gross) .....	-512	-538	-563
73.40 Adjustments in expired accounts .....	1		
Unpaid obligations, end of year:			
Obligated balance:			
Uninvested:			
74.40 Fund balance .....	1,650	1,733	1,810
74.40 Authority to borrow .....	893	817	761
74.99 Total unpaid obligations, end of year .....	2,543	2,550	2,571
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	19	20	22
86.93 Outlays from current balances .....	382	442	484
86.98 Outlays from permanent balances .....	111	76	57
87.00 Total outlays (gross) .....	512	538	563
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	524	541	583
90.00 Outlays .....	512	538	563

The rental assistance program is authorized under section 521(a)(2) of the Housing Act of 1949, as amended, and is designed to reduce rents paid by very low-income and low-income families living in RHS-financed rural rental and farm

**General and special funds—Continued**

**RENTAL ASSISTANCE PROGRAM—Continued**

labor housing projects. Funding under this account is provided for renewals of existing rental assistance contracts, assistance for newly constructed units financed by the section 515 rural rental and cooperative housing program or the 514/516 farm labor housing loan and grant programs, and for additional servicing assistance for existing projects. Assistance is also provided in lieu of debt forgiveness or payments for eligible households to subsidize tenant rents in projects purchased by eligible nonprofit organizations or public agencies as authorized by section 502(c)(5)(D) of the Act.

From 1978 through 1991, the rental assistance program was funded under the Rural Housing Insurance Fund. Beginning in 1992, pursuant to Credit Reform, a separate grant account was established for this program.

In light of the significant increase in the cost of this program, in recent years and projected in the future, RHS will expand its tools used to verify tenant income eligibility, and a legislative proposal will be submitted to charge tenants a minimum monthly rent of \$25.

**RURAL HOUSING VOUCHER PROGRAM**

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

Identification code 12-2002-0-1-604	1997 actual	1998 est.	1999 est.
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	4	3	2
73.20 Total outlays (gross) .....	-1	-1	-1
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	3	2	2
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	1	1	1

Prior year outlays reflect funding for rental assistance for newly constructed units provided in limited amounts in 1984 and 1985. From 1986 through 1991 rental assistance for newly constructed units, as well as existing rental assistance contract renewals and additional servicing assistance for existing projects, had been funded under the Rural Housing Insurance Fund. Beginning in 1992, pursuant to Credit Reform, a separate grant account was established for the rental assistance program.

**MUTUAL AND SELF-HELP HOUSING GRANTS**

For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), \$26,000,000, to remain available until expended (7 U.S.C. 2209b) of which, \$1,000,000 shall be for empowerment zones and enterprise communities, as authorized by Public Law 103-66: *Provided, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1999, they shall remain available for other authorized purposes under this head. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)*

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

Identification code 12-2006-0-1-604	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations (object class 41.0) .....	26	26	26
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	26	26	26

23.95 New obligations .....	-26	-26	-26
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	26	26	26
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	16	26	30
73.10 New obligations .....	26	26	26
73.20 Total outlays (gross) .....	-16	-22	-23
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	26	30	33
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	5	5	5
86.93 Outlays from current balances .....	11	17	18
87.00 Total outlays (gross) .....	16	22	23
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	26	26	26
90.00 Outlays .....	16	22	23

This program is authorized under section 523 of the Housing Act of 1949, as amended. Grants and contracts are made for the purpose of providing technical and supervisory assistance to groups of families to enable them to build their own homes through the mutual exchange of labor.

**[RURAL COMMUNITY FIRE PROTECTION GRANTS]**

**[For grants pursuant to section 7 of the Cooperative Forestry Assistance Act of 1978 (Public Law 95-313), \$2,000,000 to fund up to 50 percent of the cost of organizing, training, and equipping rural volunteer fire departments.] (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)**

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

Identification code 12-2067-0-1-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations (object class 41.0) .....	1	2	
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	1	2	
23.95 New obligations .....	-1	-2	
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....		2	
42.00 Transferred from other accounts .....	1		
43.00 Appropriation (total) .....	1	2	
70.00 Total new budget authority (gross) .....	1	2	
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	2	1	2
73.10 New obligations .....	1	2	
73.20 Total outlays (gross) .....	-2	-2	-1
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	1	2	
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....		1	
86.93 Outlays from current balances .....	2		1
87.00 Total outlays (gross) .....	2	2	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1	2	
90.00 Outlays .....	2	2	1

This assistance was authorized by section 7 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2106). Grants are made to public bodies to organize, train, and equip local firefighting forces, including those of Indian tribes or other Native American groups, to prevent, control, and suppress

fires threatening human lives, crops, livestock, farmsteads or other improvements, pastures, orchards, wildlife, range-land, woodland, and other resources in rural areas.

In 1997, funding for the Rural Community Fire Protection grant program was appropriated to the Rural Housing Assistance Program and transferred to this account for administration. In 1998, funding for these grants was appropriated to this account. In 1999, funding will be requested by the Forest Service.

RURAL COMMUNITY FACILITY DIRECT LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4225-0-1-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct Loans .....	137	206	200
00.02 Interest on Treasury Borrowing .....	35	84	110
00.04 Subsidy reestimate paid to receipt account .....	2		
10.00 Total obligations .....	174	290	310
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross) .....	174	290	310
23.95 New obligations .....	-174	-290	-310
<b>New financing authority (gross), detail:</b>			
67.15 Authority to borrow (indefinite) .....	129	198	170
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	69	95	134
68.10 Change in orders on hand from Federal sources .....	-12	-3	6
68.47 Portion applied to debt reduction .....	-12		
68.90 Spending authority from offsetting collections (total) .....	45	92	140
70.00 Total new financing authority (gross) .....	174	290	310
<b>Change in unpaid obligations:</b>			
Unpaid obligations, start of year:			
72.40 Obligated balance: Uninvested .....	297	278	324
72.95 Receivables from program account .....	52	40	37
72.99 Total unpaid obligations, start of year .....	349	318	361
73.10 New obligations .....	174	290	310
73.20 Total financing disbursements (gross) .....	-197	-247	-302
73.40 Adjustments in expired accounts .....	-8		
Unpaid obligations, end of year:			
74.40 Obligated balance: Uninvested .....	278	324	326
74.95 Receivables from program account .....	40	37	43
74.99 Total unpaid obligations, end of year .....	318	361	369
87.00 Total financing disbursements (gross) .....	197	247	302
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-26	-20	-21
88.25 Interest on uninvested funds .....	-10	-38	-66
Non-Federal sources:			
88.40 Repayment of principal .....	-14	-11	-14
88.40 Interest received on loans .....	-19	-26	-33
88.90 Total, offsetting collections (cash) .....	-69	-95	-134
88.95 Change in receivables from program accounts .....	12	3	-6
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	117	198	170
90.00 Financing disbursements .....	128	152	168

Status of Direct Loans (in millions of dollars)

Identification code 12-4225-0-1-452	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	137	206	200
1150 Total direct loan obligations .....	137	206	200

Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	348	493	645
1231 Disbursements: Direct loan disbursements .....	159	163	192
1251 Repayments: Repayments and prepayments .....	-14	-11	-14
1290 Outstanding, end of year .....	493	645	823

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

This account provides funding to non-profit organizations and local governments for the construction and improvement of community facilities providing essential services in rural areas, such as hospitals, telecommunications applications, child care centers and fire stations.

Balance Sheet (in millions of dollars)

Identification code 12-4225-0-1-452	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	55	65	114	193
Investments in US securities:				
1106 Receivables, net .....	52	40	37	43
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	348	492	645	823
1402 Interest receivable .....	4	7	26	33
1405 Allowance for subsidy cost (-) .....	-30	-71	-139	-224
1499 Net present value of assets related to direct loans .....	322	428	532	632
1999 Total assets .....	429	533	683	868
<b>LIABILITIES:</b>				
2101 Federal liabilities: Accounts payable .....	375	492	645	823
2203 Non-Federal liabilities: Liability for deposit funds .....	2	1	1	2
2999 Total liabilities .....	377	493	646	825
<b>NET POSITION:</b>				
3100 Appropriated capital .....	52	40	37	43
3999 Total net position .....	52	40	37	43
4999 Total liabilities and net position .....	429	533	683	868

RURAL COMMUNITY FACILITY GUARANTEED LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4228-0-1-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.02 Subsidy reestimate paid to receipt account .....	2		
00.03 Negative subsidy paid to receipt account .....		1	1
10.00 Total obligations .....	2	1	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....			
22.00 New financing authority (gross) .....	1	2	2
23.90 Total budgetary resources available for obligation .....	8	8	9
23.95 New obligations .....	-2	-1	-1
24.40 Unobligated balance available, end of year:			
Uninvested .....			
24.40 Unobligated balance available, end of year: Uninvested .....	6	7	8
<b>New financing authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....			
68.00 Offsetting collections (cash) .....	1	2	2
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....	2	1	1
73.20 Total financing disbursements (gross) .....	-2	-1	-1

**General and special funds—Continued**

**RURAL COMMUNITY FACILITY GUARANTEED LOANS FINANCING ACCOUNT—Continued**

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

Identification code 12-4228-0-1-452	1997 actual	1998 est.	1999 est.
87.00 Total financing disbursements (gross) .....	2	1	1
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources .....		-1	
88.25 Interest on uninvested funds .....	-1	-1	-1
88.40 Non-Federal sources .....			-1
88.90 Total, offsetting collections (cash) .....	-1	-2	-2
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....			
90.00 Financing disbursements .....	1	-1	-1

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

Identification code 12-4228-0-1-452	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....		153	210
2112 Uncommitted loan guarantee limitation .....	-2		
2150 Total guaranteed loan commitments .....	83	153	210
2199 Guaranteed amount of guaranteed loan commitments .....	66	123	168
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	94	121	182
2231 Disbursements of new guaranteed loans .....	32	67	107
2251 Repayments and prepayments .....	-5	-6	-10
2290 Outstanding, end of year .....	121	182	279
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	114	169	264

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

This account finances loan guarantee commitments for essential community facilities in rural areas.

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

Identification code 12-4228-0-1-452	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	7	6	7	8
1999 Total assets .....	7	6	7	8
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees .....	7	6	7	8
2999 Total liabilities .....	7	6	7	8
4999 Total liabilities and net position .....	7	6	7	8

**RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT (INCLUDING TRANSFERS OF FUNDS)**

For gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949, as amended, to be available from funds in the rural housing insur-

ance fund, as follows: \$4,000,000,000 for loans to section 502 borrowers, as determined by the Secretary, of which \$3,000,000,000 shall be for unsubsidized guaranteed loans; [\$30,000,000] \$25,001,000 for section 504 housing repair loans; [\$19,700,000] \$150,000,000 for section 538 guaranteed multi-family housing loans; [\$15,000,000] \$32,108,000 for section 514 farm labor housing; [\$128,640,000] \$100,000,000 for section 515 rental housing; [\$600,000] \$5,000,000 for section 524 site loans; [\$25,000,000] \$30,007,000 for credit sales of acquired property, of which up to \$5,001,000 may be for multi-family credit sales; and [\$587,000] \$5,000,000 for section 523 self-help housing land development loans.

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: section 502 loans, [\$135,000,000] \$120,900,000, of which [\$6,900,000] \$2,700,000 shall be for unsubsidized guaranteed loans; section 504 housing repair loans, [\$10,300,000] \$8,807,850; section 538 multi-family housing guaranteed loans, [\$1,200,000] \$3,480,000; section 514 farm labor housing, [\$7,388,000] \$16,705,790; section 515 rental housing, [\$68,745,000] \$48,250,000; section 524 site loans, \$16,500; credit sales of acquired property, [\$3,492,000] \$4,671,530, of which up to \$2,416,000 may be for multi-family credit sales; and section 523 self-help housing land development loans, [\$17,000] \$282,000: Provided, That of the total amount appropriated in this paragraph, \$11,027,300 shall be for empowerment zones and enterprise communities, as authorized by Public Law 103-66: Provided further, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1999, they shall remain available for other authorized purposes under this head.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, [\$354,785,000] \$367,857,000, which shall be transferred to and merged with the appropriation for "Rural Housing Service—Salaries and Expenses", (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)

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

Identification code 12-2081-0-1-371	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year .....	41	142	142
Receipts:			
02.01 Rural housing insurance fund, downward reestimates of subsidies .....	101		
04.00 Total: Balances and collections .....	142	142	142
07.99 Total balance, end of year .....	142	142	142

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

Identification code 12-2081-0-1-371	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy .....	200	223	197
00.02 Guaranteed loan subsidy .....	5	8	6
00.05 Reestimates of direct loan subsidy .....	16		
00.06 Interest on reestimates of direct loan subsidy .....	2		
00.09 Administrative expenses—salaries, expenses .....	366	355	368
10.00 Total obligations .....	591	586	571

**Budgetary resources available for obligation:**

21.40 Unobligated balance available, start of year:			
Uninvested .....	6	5	
22.00 New budget authority (gross) .....	592	581	571
22.30 Unobligated balance expiring .....	-2		
23.90 Total budgetary resources available for obligation .....	596	586	571
23.95 New obligations .....	-591	-586	-571
24.40 Unobligated balance available, end of year:			
Uninvested .....	5		

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

<b>Current:</b>			
40.00 Appropriation .....	506	581	571
42.00 Transferred from other accounts .....	50		
43.00 Appropriation (total) .....	556	581	571
<b>Permanent:</b>			
60.05 Appropriation (indefinite) .....	19		
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	16		

70.00	Total new budget authority (gross) .....	592	581	571
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Uninvested .....	233	203	169
73.10	New obligations .....	591	586	571
73.20	Total outlays (gross) .....	-615	-620	-584
73.40	Adjustments in expired accounts .....	-6		
74.40	Unpaid obligations, end of year: Obligated balance:			
	Uninvested .....	203	169	156
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new current authority .....	444	470	477
86.93	Outlays from current balances .....	136	150	108
86.97	Outlays from new permanent authority .....	35		
87.00	Total outlays (gross) .....	615	620	584
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-16		
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	576	581	571
90.00	Outlays .....	599	620	584

**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	1997 actual	1998 est.	1999 est.
Budget Authority .....	575	581	571
Outlays .....	599	620	585
Legislative proposal, not subject to PAYGO:			
Budget Authority .....			
Outlays .....			
<b>Total:</b>			
Budget Authority .....	575	581	571
Outlays .....	599	620	585

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

Identification code 12-2081-0-1-371	1997 actual	1998 est.	1999 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
1150 Single family housing .....	585	1,000	1,000
1150 Multi-family housing .....	153	129	100
1150 Housing repair .....	30	30	25
1150 Farm labor housing .....	14	15	32
1150 Site development .....	1	1	5
1150 Single Family Credit sales .....	25	25	25
1150 Multi Family Credit Sales .....			5
1150 Self-help housing .....	1		5
1159 Total direct loan levels .....	810	1,200	1,197
<b>Direct loan subsidy (in percent):</b>			
1320 Single family housing .....	14.18	12.81	11.82
1320 Multi-family housing .....	51.24	53.44	48.25
1320 Housing repair .....	36.63	34.36	35.23
1320 Farm labor housing .....	47.77	49.25	52.03
1320 Site development .....	-1.02	-1.19	0.33
1320 Single Family Credit sales .....	8.86	13.97	9.02
1320 Multi Family Credit Sales .....	50.55	13.97	48.31
1320 Self-help housing .....	2.87	3.41	5.64
1329 Weighted average subsidy rate .....	21.57	18.15	16.45
<b>Direct loan subsidy budget authority:</b>			
1330 Single family housing .....	90	128	118
1330 Multi-family housing .....	87	69	48
1330 Housing repair .....	11	10	9
1330 Farm labor housing .....	7	7	17
1330 Site development .....			
1330 Single Family Credit Sales .....	4	3	2
1330 Multi Family Credit Sales .....			2
1330 Self-help housing .....			
1339 Total subsidy budget authority .....	199	218	197
<b>Direct loan subsidy outlays:</b>			
1340 Single family housing .....	109	123	119
1340 Multi-family housing .....	107	109	67
1340 Housing repair .....	11	11	9
1340 Farm labor housing .....	4	8	11
1340 Site development .....			

1340	Single Family Credit Sales .....	3	3	3
1340	Multi Family Credit Sales .....			2
1340	Self-help housing .....			
1349	Total subsidy outlays .....	234	254	211
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>				
2150	Single family housing—unsubsidized .....	2,700	3,000	3,000
2150	Multifamily Housing .....	28	20	150
2159	Total loan guarantee levels .....	2,728	3,020	3,150
<b>Guaranteed loan subsidy (in percent):</b>				
2320	Single family housing—unsubsidized .....	0.23	0.23	0.09
2320	Multi Family Housing .....	3.09	6.09	2.32
2329	Weighted average subsidy rate .....	0.27	0.27	0.20
<b>Guaranteed loan subsidy budget authority:</b>				
2330	Single family housing—unsubsidized .....	7	7	3
2330	Multi Family Housing .....	1	1	3
2339	Total subsidy budget authority .....	8	8	6
<b>Guaranteed loan subsidy outlays:</b>				
2340	Single family housing—unsubsidized .....	5	5	4
2340	Multi Family Housing .....	2		2
2349	Total subsidy outlays .....	7	5	5
<b>Administrative expense data:</b>				
3510	Budget authority .....	366	355	368
3590	Outlays .....	372	361	368

Rural housing insurance fund—This fund was established in 1965 (Public Law 89-117) pursuant to section 517 of title V of the Housing Act of 1949, as amended.

The major programs funded through the Rural Housing Insurance Fund Program account are: section 502 very low and low to moderate income homeownership loans and guarantees; section 504 very low-income housing repair loans; section 514 domestic farm labor housing loans; section 515 rural rental housing loans; section 524 housing site loans, for single family and multi-family housing credit sales of acquired property, and section 538 multi-family housing guarantees. The section 523 self-help housing land development loan program is included under this heading beginning in 1997. Previously, this loan program was accounted for under the separate heading of "Self-Help Housing Land Development Fund Program Account."

Loan programs are limited to rural areas that include towns, villages, and other places which are not part of an urban area and that have a population not in excess of 2,500 inhabitants, or is in excess of 2,500 but not in excess of 10,000 if rural in character, or has a population in excess of 10,000 but not more than 20,000 and is not within a standard metropolitan statistical area and has a serious lack of mortgage credit for low- and moderate-income borrowers.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated and loan guarantees committed in 1992 and beyond (including credit sales of acquired property), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

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

Identification code 12-2081-0-1-371	1997 actual	1998 est.	1999 est.
25.3 Purchases of goods and services from Government accounts .....	366	355	368
41.0 Grants, subsidies, and contributions .....	225	231	203
99.9 Total obligations .....	591	586	571

**General and special funds—Continued**

**RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT**  
(Legislative proposal, not subject to PAYGO)

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

Identification code 12-2081-2-1-371	1997 actual	1998 est.	1999 est.
<b>Guaranteed loan levels supportable by subsidy budget authority:</b>			
2150 Single family housing—unsubsidized .....			
2150 Multifamily Housing .....			
2150 Single family housing—unsubsidized refinancing .....			100
2159 Total loan guarantee levels .....			100
<b>Guaranteed loan subsidy (in percent):</b>			
2320 Single family housing—unsubsidized .....			0.00
2320 Multi Family Housing .....			0.00
2320 Single family housing—unsubsidized refinancing .....			-0.13
2329 Weighted average subsidy rate .....			-0.02
<b>Guaranteed loan subsidy budget authority:</b>			
2330 Single family housing—unsubsidized .....			
2330 Multi Family Housing .....			
2330 Single family housing—unsubsidized refinancing .....			
2339 Total subsidy budget authority .....			
<b>Guaranteed loan subsidy outlays:</b>			
2340 Single family housing—unsubsidized .....			
2340 Multi Family Housing .....			
2340 Single family housing—unsubsidized refinancing .....			
2349 Total subsidy outlays .....			
<b>Administrative expense data:</b>			
3510 Budget authority .....			
3590 Outlays .....			

A new section 502 guaranteed rural housing loan program is proposed for refinancing of direct single family home loans to facilitate the graduation of direct loan borrowers into the private sector. These loans will be provided only to borrowers who do not qualify for conventional private sector financing without the federal guarantee.

**RURAL HOUSING INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT**

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

Identification code 12-4215-0-3-371	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans .....	928	1,230	1,197
00.02 Advances on behalf of borrowers .....	19	63	28
00.03 Collateral acquired by default .....	1	8	4
00.04 Interest on Treasury borrowing .....	458	518	573
00.05 Subsidy reestimate paid to receipt account .....	91		
00.06 Other expenses .....	11		
10.00 Total obligations .....	1,508	1,819	1,802
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross) .....	1,492	1,819	1,802
22.10 Resources available from recoveries of prior year obligations .....	22		
22.70 Balance of authority to borrow withdrawn .....	-6		
23.90 Total budgetary resources available for obligation .....	1,508	1,819	1,802
23.95 New obligations .....	-1,508	-1,819	-1,802
<b>New financing authority (gross), detail:</b>			
67.15 Authority to borrow (indefinite) .....	812	1,078	1,012
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	827	952	1,026
68.10 Change in orders on hand from Federal sources .....	-23	-31	-14
68.47 Portion applied to debt reduction .....	-124	-180	-222
68.90 Spending authority from offsetting collections (total) .....	680	741	790

70.00 Total new financing authority (gross) .....	1,492	1,819	1,802
<b>Change in unpaid obligations:</b>			
Unpaid obligations, start of year:			
Obligated balance:			
Uninvested:			
72.40 Uninvested fund balance .....	334	156	185
72.40 Authority to Borrow .....	33	195	232
72.95 Receivables from program account .....	220	197	166
72.99 Total unpaid obligations, start of year .....	587	548	583
73.10 New obligations .....	1,508	1,819	1,802
73.20 Total financing disbursements (gross) .....	-1,525	-1,785	-1,801
73.45 Adjustments in unexpired accounts .....	-22		
Unpaid obligations, end of year:			
Obligated balance:			
Uninvested:			
74.40 Uninvested fund balance .....	156	185	213
74.40 Authority to borrow .....	195	232	218
74.95 Receivables from program account .....	197	166	152
74.99 Total unpaid obligations, end of year .....	548	583	583
87.00 Total financing disbursements (gross) .....	1,525	1,785	1,801
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-237	-254	-211
88.25 Interest on uninvested funds .....	-55	-63	-66
Non-Federal sources:			
88.40 Repayments of principal .....	-176	-230	-290
88.40 Interest received on loans .....	-316	-385	-437
88.40 Repayments on advances .....	-3	-4	-5
88.40 Proceeds on sale of acquired property .....	-8	-16	-17
88.40 Fees and miscellaneous collections .....	-32		
88.90 Total, offsetting collections (cash) .....	-827	-952	-1,026
88.95 Change in receivables from program accounts .....	23	31	14
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	688	898	790
90.00 Financing disbursements .....	698	833	775

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

Identification code 12-4215-0-3-371	1997 actual	1998 est.	1999 est.
<b>Position with respect to appropriations act limitation on obligations:</b>			
1111 Limitation on direct loans .....	820	1,230	1,197
1112 Unobligated direct loan limitation .....	-33		
1113 Unobligated limitation carried forward .....	31		
1131 Direct loan obligations exempt from limitation .....	111		
1150 Total direct loan obligations .....	928	1,230	1,197
<b>Cumulative balance of direct loans outstanding:</b>			
1210 Outstanding, start of year .....	7,800	8,567	9,591
1231 Disbursements: Direct loan disbursements .....	950	1,196	1,196
1251 Repayments: Repayments and prepayments .....	-182	-234	-295
1261 Adjustments: Capitalized interest .....	10	12	13
<b>Write-offs for default:</b>			
1263 Direct loans .....	-12	-13	-14
1264 Other adjustments, net .....	1	63	28
1290 Outstanding, end of year .....	8,567	9,591	10,519

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond including credit sales of acquired property. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances direct rural housing loans for: section 502 very low- and low-to-moderate-income home ownership loan program; section 504 very low income housing repair loan program; section 514 domestic farm labor housing loan program; section 515 rural rental housing loan program; sections 523 self-help housing loans, and 524 site development loans; and single family and multi-family housing credit sales of acquired property.



Loan programs are limited to rural areas that include towns, villages and other places which are not part of an urban area and that have a population not in excess of 2,500 inhabitants, or is in excess of 2,500 but not in excess of 10,000 if rural in character, or has a population in excess of 10,000 but not more than 20,000 and is not within a standard metropolitan statistical area and has a serious lack of mortgage credit for low and moderate-income borrowers.

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

Identification code 12-4215-0-3-371	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	334	156	185	214
Investments in US securities:				
1106 Receivables, net .....	221	197	166	152
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	7,800	8,567	9,591	10,519
1402 Interest receivable .....	39	81	89	100
1404 Foreclosed property .....	10	7	16	24
1405 Allowance for subsidy cost (-) .....	-2,202	-2,293	-2,495	-2,661
1499 Net present value of assets related to direct loans .....	5,647	6,362	7,201	7,982
1999 Total assets .....	6,202	6,715	7,552	8,348
<b>LIABILITIES:</b>				
Federal liabilities:				
2102 Interest payable .....				
2103 Debt .....	5,950	6,469	7,331	8,135
2104 Resources payable to Treasury .....	221	197	166	152
2105 Other .....				
2207 Non-Federal liabilities: Other .....	31	49	55	61
2999 Total liabilities .....	6,202	6,715	7,552	8,348
4999 Total liabilities and net position .....	6,202	6,715	7,552	8,348

**RURAL HOUSING INSURANCE FUND GUARANTEED LOAN FINANCING ACCOUNT**

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

Identification code 12-4216-0-3-371	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Default claims .....	9	23	30
08.01 Subsidy reestimate paid to receipt account .....	10		
10.00 Total obligations .....	19	23	30
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	65	71	87
22.00 New financing authority (gross) .....	25	39	42
23.90 Total budgetary resources available for obligation .....	90	110	129
23.95 New obligations .....	-19	-23	-30
24.40 Unobligated balance available, end of year:			
Uninvested .....	71	87	98
<b>New financing authority (gross), detail:</b>			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	26	36	41
68.10 Change in orders on hand from Federal sources .....	-1	3	1
68.90 Spending authority from offsetting collections (total) .....	25	39	42
70.00 Total new financing authority (gross) .....	25	39	42
<b>Change in unpaid obligations:</b>			
Unpaid obligations, start of year:			
72.40 Obligated balance: Uninvested .....	-1		-3
72.95 Receivables from program account .....	1		3
72.99 Total unpaid obligations, start of year .....			
73.10 New obligations .....	19	23	30
73.20 Total financing disbursements (gross) .....	-19	-23	-30
Unpaid obligations, end of year:			
74.40 Obligated balance: Uninvested .....		-3	-4

74.95	Receivables from program account .....		3	4
74.99	Total unpaid obligations, end of year .....			
87.00	Total financing disbursements (gross) .....	19	23	30
<b>Offsets:</b>				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-7	-5	-5
88.25	Interest on uninvested funds .....	-4	-5	-6
88.40	Non-Federal sources: guarantee fees .....	-15	-26	-30
88.90	Total, offsetting collections (cash) .....	-26	-36	-41
88.95	Change in receivables from program accounts .....	1	-3	-1

**Net financing authority and financing disbursements:**

89.00	Financing authority .....			
90.00	Financing disbursements .....	-7	-13	-11

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

Identification code 12-4216-0-3-371	1997 actual	1998 est.	1999 est.	
<b>Position with respect to appropriations act limitation on commitments:</b>				
2111	Limitation on guaranteed loans made by private lenders .....	2,728	3,020	3,150
2112	Uncommitted loan guarantee limitation .....	-700		
2150	Total guaranteed loan commitments .....	2,028	3,020	3,150
<b>Cumulative balance of guaranteed loans outstanding:</b>				
2210	Outstanding, start of year .....	3,503	5,039	7,677
2231	Disbursements of new guaranteed loans .....	1,690	2,888	2,952
2251	Repayments and prepayments .....	-144	-224	-281
2263	Adjustments: Terminations for default that result in claim payments .....	-10	-26	-33
2290	Outstanding, end of year .....	5,039	7,677	10,315

**Memorandum:**

2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	4,535	6,909	9,283
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As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loan commitments made in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances the nonsubsidized guaranteed section 502 low-to-moderate-income home ownership loan program and section 538 multi-family housing loan program. The guaranteed programs enable RHS to utilize private sector resources for the making and servicing of loans while the Agency provides a financial guarantee to encourage private sector activity.

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

Identification code 12-4216-0-3-371	1996 actual	1997 actual	1998 est.	1999 est.	
<b>ASSETS:</b>					
Federal assets:					
1101	Fund balances with Treasury .....	64	71	84	94
Investments in US securities:					
1106	Receivables, net .....	1		3	4
1999	Total assets .....	65	71	87	98
<b>LIABILITIES:</b>					
2204	Non-Federal liabilities: Liabilities for loan guarantees .....	65	71	87	98
2999	Total liabilities .....	65	71	87	98
4999	Total liabilities and net position .....	65	71	87	98

**General and special funds—Continued**

**RURAL HOUSING INSURANCE FUND GUARANTEED LOAN FINANCING ACCOUNT**

(Legislative proposal, not subject to PAYGO)

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

Identification code 12-4216-2-3-371	1997 actual	1998 est.	1999 est.
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross) .....			1
24.40 Unobligated balance available, end of year:			
Uninvested .....			1
<b>New financing authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....			1
87.00 Total financing disbursements (gross) .....			
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
88.40 Offsetting collections (cash) from: Non-Federal sources: guarantee fees .....			-1
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....			
90.00 Financing disbursements .....			-1

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

Identification code 12-4216-2-3-371	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....			100
2150 Total guaranteed loan commitments .....			100
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....			
2231 Disbursements of new guaranteed loans .....			74
2251 Repayments and prepayments .....			-1
2263 Adjustments: Terminations for default that result in claim payments .....			
2290 Outstanding, end of year .....			73
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....			66

This account reflects the additional guaranteed loan level requested under the legislative proposal to create a section 502 guaranteed housing loan program for the purpose of refinancing section 502 direct loans made in prior years. These loans will be made when graduation to private credit cannot be accomplished without the provision of the Agency's guarantee.

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loan commitments made in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

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

Identification code 12-4216-2-3-371	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....				1
1999 Total assets .....				1
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees .....				1

2999 Total liabilities .....				1
4999 Total liabilities and net position .....				1

**RURAL HOUSING INSURANCE FUND LIQUIDATING ACCOUNT**

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

Identification code 12-4141-0-3-371	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
Capital investment:			
00.02 Advances on behalf of borrowers .....	82	173	61
00.04 Purchases of certificates of beneficial ownership .....			1
00.05 Collateral acquired by default .....	2	3	1
00.06 Judgements .....	1	1	1
00.07 Unclassified recoverable costs .....	20		
00.08 Restoration of direct loan obligations .....	2		
00.91 Total capital investment .....	107	177	64
Operating expenses:			
01.02 Interest on certificates of beneficial ownership .....	1	1	1
01.03 Interest on FFB borrowings .....	1,891	1,274	858
01.06 Interest credits on loans sold to investors .....	2	2	2
01.07 Other costs incident to loans .....	3	3	3
01.08 Undistributed charges .....	1		
01.91 Total operating expenses .....	1,898	1,280	864
10.00 Total obligations .....	2,005	1,457	928
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	2,250	1,584	1,037
22.10 Resources available from recoveries of prior year obligations .....	1		
22.70 Balance of authority to borrow withdrawn .....	-246	-127	-109
23.90 Total budgetary resources available for obligation .....	2,005	1,457	928
23.95 New obligations .....	-2,005	-1,457	-928
<b>New budget authority (gross), detail:</b>			
60.05 Appropriation (indefinite) .....	5,200	3,300	1,200
60.47 Portion applied to debt reduction .....	-2,950	-1,716	-163
63.00 Appropriation (total) .....	2,250	1,584	1,037
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	2,320	2,319	2,212
68.47 Portion applied to debt reduction .....	-2,320	-2,319	-2,212
68.90 Spending authority from offsetting collections (total) .....			
70.00 Total new budget authority (gross) .....	2,250	1,584	1,037
<b>Change in unpaid obligations:</b>			
Unpaid obligations, start of year:			
Obligated balance:			
Uninvested:			
72.40 Authority to borrow .....	594	348	221
72.40 Fund balance .....	418	390	389
72.99 Total unpaid obligations, start of year .....	1,012	738	610
73.10 New obligations .....	2,005	1,457	928
73.20 Total outlays (gross) .....	-2,278	-1,585	-1,114
73.45 Adjustments in unexpired accounts .....	-1		
Unpaid obligations, end of year:			
Obligated balance:			
Uninvested:			
74.40 Authority to borrow .....	348	221	112
74.40 Fund balance .....	390	389	311
74.99 Total unpaid obligations, end of year .....	738	610	423
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	1,677	1,257	836
86.98 Outlays from permanent balances .....	601	328	278
87.00 Total outlays (gross) .....	2,278	1,585	1,114
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Repayments of loans and advances .....	-1,147	-1,161	-1,155
88.40 Proceeds from sale of acquired property .....	-51	-46	-42

88.40	Payments on judgments .....	-6	-5	-4
88.40	Interest payments from borrowers .....	-990	-997	-907
88.40	Recapture of subsidies .....	-99	-108	-102
88.40	Fees and other revenue .....	-2	-1	-1
88.40	Occupancy surcharges collected .....	-1	-1	-1
88.40	Undistributed receipts .....	-24		
88.90	Total, offsetting collections (cash) .....	-2,320	-2,319	-2,212
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	-70	-735	-1,175
90.00	Outlays .....	-42	-734	-1,098

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

Identification code 12-4141-0-3-371	1997 actual	1998 est.	1999 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	22,185	20,947	19,738
Disbursements:				
1231	Direct loan disbursements .....	2		
1232	Purchase of loans assets from the public .....			
1251	Repayments: Repayments and prepayments .....	-1,147	-1,161	-1,155
1261	Adjustments: Capitalized interest .....	-29	29	25
Write-offs for default:				
1263	Direct loans .....	-85	-83	-78
1264	Other adjustments, net .....	21	6	2
1290	Outstanding, end of year .....	20,947	19,738	18,532

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

Identification code 12-4141-0-3-371	1997 actual	1998 est.	1999 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year .....	32	30	28
2251	Repayments and prepayments .....	-2	-2	-1
2264	Adjustments: Other adjustments, net .....			
2290	Outstanding, end of year .....	30	28	27
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year .....	27	25	24

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated and loan guarantees committed prior to 1992. New loan activity in 1992 and beyond (including credit sales of acquired property that resulted from obligations or commitments in any year) is recorded in corresponding program and financing accounts.

**Statement of Operations (in millions of dollars)**

Identification code 12-4141-0-3-371	1996 actual	1997 actual	1998 est.	1999 est.	
0101	Revenue .....	2,484	1,892	1,758	1,615
0102	Expense .....	-2,670	-1,678	-1,187	-847
0109	Net income or loss (-) .....	-186	214	571	768

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

Identification code 12-4141-0-3-371	1996 actual	1997 actual	1998 est.	1999 est.	
<b>ASSETS:</b>					
Federal assets:					
1101	Fund balances with Treasury .....	418	390	389	311
Investments in US securities:					
1106	Receivables, net .....				
Non-Federal assets:					
1201	Investments in non-Federal securities, net .....				
1206	Receivables, net .....				
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross .....	22,185	20,947	19,738	18,532
1602	Interest receivable .....	203	256	207	185
1603	Allowance for estimated uncollectible loans and interest (-) .....	-8,621	-7,498	-7,053	-6,680

1604	Direct loans and interest receivable, net .....	13,767	13,705	12,892	12,037
1606	Foreclosed property .....	65	47	42	38
1699	Value of assets related to direct loans .....	13,832	13,752	12,934	12,075
1701	Guaranteed loans purchased from holders .....				
1703	Allowance for estimated uncollectible loans and interest (-) .....				
1704	Defaulted guaranteed loans and interest receivable, net .....				
1799	Value of assets related to loan guarantees .....				
Other Federal assets:					
1803	Property, plant and equipment, net .....				
1901	Other assets .....	5,693	491	461	432
1999	Total assets .....	19,943	14,633	13,784	12,818
<b>LIABILITIES:</b>					
Federal liabilities:					
2101	Accounts payable .....	1	1	1	1
2102	Interest payable .....	979	693	525	360
2103	Debt .....	18,805	13,535	9,500	7,125
2104	Resources payable to Treasury .....		224	3,594	5,183
Non-Federal liabilities:					
2201	Accounts payable .....	11	23	18	14
2202	Interest payable .....	1	1	1	1
2203	Debt .....	11	11	10	8
2207	Other .....	135	145	135	126
2999	Total liabilities .....	19,943	14,633	13,784	12,818
4999	Total liabilities and net position .....	19,943	14,633	13,784	12,818

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

Identification code 12-4141-0-3-371	1997 actual	1998 est.	1999 est.	
25.2	Other services .....	4	3	3
33.0	Investments and loans .....	107	177	64
41.0	Grants, subsidies, and contributions .....	2	2	2
43.0	Interest and dividends .....	1,892	1,275	859
99.9	Total obligations .....	2,005	1,457	928

**RURAL BUSINESS-COOPERATIVE SERVICE**

**Federal Funds**

**General and special funds:**

**SALARIES AND EXPENSES**

For necessary expenses of the Rural Business-Cooperative Service, including administering the programs authorized by the Consolidated Farm and Rural Development Act; section 1323 of the Food Security Act of 1985; the Cooperative Marketing Act of 1926; for activities relating to the marketing aspects of cooperatives, including economic research findings, as authorized by the Agricultural Marketing Act of 1946; for activities with institutions concerning the development and operation of agricultural cooperatives; and for cooperative agreements; **[\$25,680,000] \$26,396,000. Provided,** That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$260,000 may be used for employment under 5 U.S.C. 3109. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-1903-0-1-999	1997 actual	1998 est.	1999 est.	
<b>Obligations by program activity:</b>				
00.01	Direct program .....	24	26	26
09.01	Reimbursable program .....	10	10	10
10.00	Total obligations .....	34	36	36
<b>Budgetary resources available for obligation:</b>				
22.00	New budget authority (gross) .....	36	36	36
22.30	Unobligated balance expiring .....	-2		
23.90	Total budgetary resources available for obligation .....	34	36	36

**General and special funds—Continued**

**SALARIES AND EXPENSES—Continued**

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

Identification code 12-1903-0-1-999	1997 actual	1998 est.	1999 est.
23.95 New obligations .....	-34	-36	-36
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	26	26	26
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	10	10	10
70.00 Total new budget authority (gross) .....	36	36	36
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	8	13	13
73.10 New obligations .....	34	36	36
73.20 Total outlays (gross) .....	-28	-36	-36
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	13	13	13
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	15	19	19
86.93 Outlays from current balances .....	4	10	8
86.97 Outlays from new permanent authority .....	9	7	7
86.98 Outlays from permanent balances .....			2
87.00 Total outlays (gross) .....	28	36	36
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources .....	-10	-10	-10
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	26	26	26
90.00 Outlays .....	19	26	26

The Secretary's reorganization plan established the Rural Business-Cooperative Service (RBS). RBS includes programs from the former Rural Development Administration, rural development programs from the former Rural Electrification Administration, and the Agricultural Cooperative Service. This Agency delivers loan and grant programs and technical assistance to cooperatives and rural businesses.

*Administrative Convergence.* The Department is coordinating the functions and personnel of the different field agencies to provide a more seamless and efficient delivery system. By 2002, the proposal would result in a 22 percent reduction in administrative staffing from 1997. Savings by 2002 would equal \$127 million/year. Progress in 1999 would be indicated by the creation of a Support Services Bureau reflecting a new entity made by consolidating the agencies' administrative functions both at the National level and in each State.

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

Identification code 12-1903-0-1-999	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	13	13	13
11.3 Other than full-time permanent .....	1	1	1
11.9 Total personnel compensation .....	14	14	14
12.1 Civilian personnel benefits .....	3	3	3
21.0 Travel and transportation of persons .....	1	1	1
23.2 Rental payments to others .....		1	1
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	4	5	5
99.0 Subtotal, direct obligations .....	23	25	25
99.0 Reimbursable obligations .....	10	10	10
99.5 Below reporting threshold .....	1	1	1
99.9 Total obligations .....	34	36	36

**Personnel Summary**

Identification code 12-1903-0-1-999	1997 actual	1998 est.	1999 est.
<b>Direct:</b>			
1001 Total compensable workyears: Full-time equivalent employment .....	258	236	218
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent employment .....	62	92	86

**SALARIES AND EXPENSES  
(RURAL DEVELOPMENT ADMINISTRATION)**

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

Identification code 12-3400-0-1-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
09.01 Reimbursable program .....	1		
10.00 Total obligations (object class 25.2) .....	1		
<b>Budgetary resources available for obligation:</b>			
23.95 New obligations .....	-1		
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	7	3	1
73.10 New obligations .....	1		
73.20 Total outlays (gross) .....	-5	-2	-1
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	3	1	
<b>Outlays (gross), detail:</b>			
86.98 Outlays from permanent balances .....	5	2	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	5	2	1

Beginning in 1995, programs and services formerly provided by the Rural Development Administration are included in the Rural Utilities Service, the Rural Housing Service, and the Rural Business-Cooperative Service.

**RURAL COOPERATIVE DEVELOPMENT GRANTS**

For rural cooperative development grants authorized under section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932), **[\$3,000,000]** \$3,700,000, of which up to **[\$1,300,000]** \$2,000,000 may be available for cooperative agreements for the appropriate technology transfer for rural areas program.

*For cooperative agreements as authorized under 7 U.S.C. 2201, to any qualified State department of agriculture, university, and other State entity to conduct research that will strengthen and enhance the operations of agricultural marketing cooperatives in rural areas, \$2,000,000. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)*

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

Identification code 12-1900-0-1-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Rural cooperative development grants .....	2	2	2
00.02 Appropriate technology transfer for rural areas .....	1	1	2
00.03 Federal/State research on cooperatives .....			2
10.00 Total obligations (object class 41.0) .....	3	3	6
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	3	3	6
23.95 New obligations .....	-3	-3	-6
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	3	3	6

<b>Change in unpaid obligations:</b>			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Uninvested .....	2	3
73.10	New obligations .....	3	3
73.20	Total outlays (gross) .....	-2	-4
74.40	Unpaid obligations, end of year: Obligated balance:		
	Uninvested .....	3	2
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new current authority .....	1	1
86.93	Outlays from current balances .....	1	3
87.00	Total outlays (gross) .....	2	4
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	3	3
90.00	Outlays .....	2	4

Grants for rural cooperative development were authorized under section 310B(e) of the Consolidated Farm and Rural Development Act by Public Law 104-127, April 4, 1996. These grants are made available to nonprofit corporations and institutions of higher education to fund the establishment and operation of centers for rural cooperative development. The primary purpose of the centers is the improvement of economic conditions of rural areas through the development of new cooperatives and improving operations of existing cooperatives. RBS can fund up to 75 percent of any project and associated administrative costs and requires at least a 25 percent matching share from the applicant which must be from non-Federal sources.

The amount for Appropriate Technology Transfer to Rural Areas (ATTRA) program was first authorized by the Food Security Act of 1985. The program encourages agricultural producers to adopt sustainable agricultural practices.

In addition, \$2 million is provided for Federal and State research on cooperatives. This program leverages scarce Federal resources by joining with State departments of agriculture, universities and other State entities to conduct marketing research that will strengthen and enhance the operations of agricultural marketing cooperatives in rural areas.

RURAL ECONOMIC DEVELOPMENT GRANTS

Program and Financing (in millions of dollars)

Identification code 12-3105-0-1-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01	Direct program .....	10	7
09.00	Reimbursable program .....	1	4
10.00	Total obligations .....	11	11
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance available, start of year:		
	Uninvested .....	29	21
22.00	New budget authority (gross) .....	1	4
22.10	Resources available from recoveries of prior year obligations .....	2	
23.90	Total budgetary resources available for obligation .....	32	25
23.95	New obligations .....	-11	-11
24.40	Unobligated balance available, end of year:		
	Uninvested .....	21	14
<b>New budget authority (gross), detail:</b>			
Spending authority from offsetting collections:			
68.00	Offsetting collections (cash) .....	8	1
68.10	Change in orders on hand from Federal sources .....	-7	3
68.90	Spending authority from offsetting collections (total) .....	1	4
70.00	Total new budget authority (gross) .....	1	4
<b>Change in unpaid obligations:</b>			
Unpaid obligations, start of year:			
72.40	Obligated balance: Uninvested .....	16	19

72.95	Orders on hand from Federal sources .....	8	1	4
72.99	Total unpaid obligations, start of year .....	24	20	18
73.10	New obligations .....	11	11	11
73.20	Total outlays (gross) .....	-13	-14	-10
73.45	Adjustments in unexpired accounts .....	-2		
Unpaid obligations, end of year:				
74.40	Obligated balance: Uninvested .....	19	14	15
74.95	Orders on hand from Federal sources .....	1	4	4
74.99	Total unpaid obligations, end of year .....	20	18	19
<b>Outlays (gross), detail:</b>				
86.97	Outlays from new permanent authority .....	1	1	1
86.98	Outlays from permanent balances .....	12	14	10
87.00	Total outlays (gross) .....	13	14	10
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	-8	-1	-4
88.95	Change in orders on hand from Federal sources .....	7	-3	
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....			
90.00	Outlays .....	5	13	6

This grant program is authorized under section 313 of the Rural Electrification Act, as amended, and provides funds for the purpose of promoting rural economic development and job creation projects, including funding for project feasibility studies, start-up costs, incubator projects and other expenses for the purpose of fostering rural development.

Funding for this program is provided from the interest differential on Rural Utilities Service borrowers' cushion of credit accounts.

Object Classification (in millions of dollars)

Identification code 12-3105-0-1-452	1997 actual	1998 est.	1999 est.
41.0	Direct obligations: Grants, subsidies, and contributions .....	10	7
99.0	Reimbursable obligations: Subtotal, reimbursable obligations .....	1	4
99.9	Total obligations .....	11	11

RURAL BUSINESS AND INDUSTRY DIRECT LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4223-0-3-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01	Direct loans .....	12	50
00.02	Negative subsidy paid to receipt account .....		1
00.03	Interest on Treasury borrowing .....	1	2
00.04	Other losses .....		6
10.00	Total obligations .....	13	53
<b>Budgetary resources available for obligation:</b>			
22.00	New financing authority (gross) .....	13	53
23.95	New obligations .....	-13	-53
<b>New financing authority (gross), detail:</b>			
67.15	Authority to borrow (indefinite) .....	13	51
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....		2
70.00	Total new financing authority (gross) .....	13	53
<b>Change in unpaid obligations:</b>			
Unpaid obligations, start of year: Obligated balance:			
72.40	Uninvested .....		10
73.10	New obligations .....	13	53
73.20	Total financing disbursements (gross) .....	-3	-17
74.40	Unpaid obligations, end of year: Obligated balance:		
	Uninvested .....	10	44

**General and special funds—Continued**

**RURAL BUSINESS AND INDUSTRY DIRECT LOANS FINANCING ACCOUNT—Continued**

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

Identification code 12-4223-0-3-452	1997 actual	1998 est.	1999 est.
87.00 Total financing disbursements (gross) .....	3	17	35
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
88.25 Offsetting collections (cash) from: Interest on uninvested funds .....		-2	-3
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	13	51	54
90.00 Financing disbursements .....	3	15	32

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

Identification code 12-4223-0-3-452	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	12	50	50
1150 Total direct loan obligations .....	12	50	50
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....		3	20
1231 Disbursements: Direct loan disbursements .....	3	17	35
1251 Repayments: Repayments and prepayments .....			
1290 Outstanding, end of year .....	3	20	55

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

Direct business and industry loans are made to public, private, or cooperative organizations, Indian tribes or tribal groups, corporate entities, or individuals for the purpose of improving the economic climate in rural areas.

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

Identification code 12-4223-0-3-452	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....		3	37	59
1206 Non-Federal assets: Receivables, net .....				5
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....		3	20	55
1499 Net present value of assets related to direct loans .....		3	20	55
1999 Total assets .....		6	57	119
<b>LIABILITIES:</b>				
2104 Federal liabilities: Resources payable to Treasury .....		6	57	119
2999 Total liabilities .....		6	57	119
4999 Total liabilities and net position .....		6	57	119

**RURAL BUSINESS AND INDUSTRY GUARANTEED LOANS FINANCING ACCOUNT**

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

Identification code 12-4227-0-3-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Default claims .....	4	2	2
00.03 Investment in secondary market .....	2	15	16
00.04 NADBank guarantee fee subsidy .....		1	
00.06 Subsidy reestimate paid to receipt account .....	6		
10.00 Total obligations .....	12	18	18
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	28	39	44
22.00 New financing authority (gross) .....	24	24	26
23.90 Total budgetary resources available for obligation .....	52	63	70
23.95 New obligations .....	-12	-18	-18
24.40 Unobligated balance available, end of year:			
Uninvested .....	39	44	52
<b>New financing authority (gross), detail:</b>			
67.15 Authority to borrow (indefinite) .....	3		
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	21	24	26
70.00 Total new financing authority (gross) .....	24	24	26
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....	12	18	18
73.20 Total financing disbursements (gross) .....	-12	-18	-18
73.31 Obligated balance transferred to other accounts .....	-1		
87.00 Total financing disbursements (gross) .....	12	18	18
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources .....	-8	-10	-10
88.25 Interest on uninvested funds .....	-2	-2	-3
Non-Federal sources:			
88.40 Non-Federal sources .....	-11	-11	-13
88.40 Non-Federal sources-NADBank fee collection .....		-1	
88.90 Total, offsetting collections (cash) .....	-21	-24	-26
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	3		
90.00 Financing disbursements .....	-8	-6	-8

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

Identification code 12-4227-0-3-452	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders .....	815	1,000	1,000
2131 Guaranteed loan commitments exempt from limitation .....	1	75	
2150 Total guaranteed loan commitments .....	816	1,075	1,000
2199 Guaranteed amount of guaranteed loan commitments .....	644	847	847
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year .....	728	1,306	1,856
2231 Disbursements of new guaranteed loans .....	666	711	813
2251 Repayments and prepayments .....	-80	-144	-204
Adjustments:			
2262 Terminations for default that result in acquisition of property .....	-2	-2	
2263 Terminations for default that result in claim payments .....	-4	-15	-16
2264 Other adjustments, net .....	-2		
2290 Outstanding, end of year .....	1,306	1,856	2,449
<b>Memorandum:</b>			
2299 Guaranteed amount of guaranteed loans outstanding, end of year .....	1,032	1,466	1,932

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from guaranteed loans committed in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals. Loans made prior to 1992 are recorded in the Rural Development Insurance Fund Liquidating Account.

This account finances loan guarantee commitments for industrial development in rural areas.

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

Identification code 12-4227-0-3-452	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	28	40	46	55
1999 Total assets .....	28	40	46	55
<b>LIABILITIES:</b>				
2204 Non-Federal liabilities: Liabilities for loan guarantees .....	28	40	46	55
2999 Total liabilities .....	28	40	46	55
4999 Total liabilities and net position .....	28	40	46	55

**RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT**  
(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, **[\$16,888,000] \$17,622,500**, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)): *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans of \$35,000,000: *Provided further*, That through June 30, [1998] 1999, of the total amount appropriated, **[\$3,345,000] \$3,776,250** shall be available for the cost of direct loans for empowerment zones and enterprise communities, as authorized by title XIII of the Omnibus Budget Reconciliation Act of 1993, to subsidize gross obligations for the principal amount of direct loans, **[\$7,246,000] \$7,500,000**.

In addition, for administrative expenses to carry out the direct loan programs, **[\$3,482,000] \$3,547,000** shall be transferred to and merged with the appropriation for "Rural Business-Cooperative Service—Salaries and Expenses". (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-2069-0-1-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy .....	17	17	18
00.09 Administrative expense .....		3	4
10.00 Total obligations .....	17	20	21
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	17	20	22
23.95 New obligations .....	-17	-20	-21
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	17	20	22
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested .....	74	67	51
73.10 New obligations .....	17	20	21
73.20 Total outlays (gross) .....	-25	-36	-29
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested .....	67	51	43
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	1	4	5
86.93 Outlays from current balances .....	24	32	25
87.00 Total outlays (gross) .....	25	36	29

<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	17	20	22
90.00 Outlays .....	25	36	29

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

Identification code 12-2069-0-1-452	1997 actual	1998 est.	1999 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
1150 Direct loan levels .....	37	35	35
1159 Total direct loan levels .....	37	35	35
<b>Direct loan subsidy (in percent):</b>			
1320 Subsidy rate .....	46.48	48.25	50.35
1329 Weighted average subsidy rate .....	46.48	48.25	50.35
<b>Direct loan subsidy budget authority:</b>			
1330 Subsidy budget authority .....	17	17	18
1339 Total subsidy budget authority .....	17	17	18
<b>Direct loan subsidy outlays:</b>			
1340 Subsidy outlays .....	25	33	25
1349 Total subsidy outlays .....	25	33	25
<b>Administrative expense data:</b>			
3510 Budget authority .....		3	4
3590 Outlays .....		3	4

This account finances loans to intermediary borrowers, who in turn relend the funds to small rural businesses, community development corporations, and other organizations for the purpose of improving economic opportunities in rural areas. Through the use of local intermediaries, this program serves small-scale enterprises and gives preference to those communities with the greatest need.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond, as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

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

Identification code 12-2069-0-1-452	1997 actual	1998 est.	1999 est.
25.3 Purchases of goods and services from Government accounts .....		3	4
41.0 Grants, subsidies, and contributions .....	17	17	18
99.9 Total obligations .....	17	20	21

**RURAL DEVELOPMENT LOAN FUND DIRECT LOAN FINANCING ACCOUNT**

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

Identification code 12-4219-0-3-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans .....	37	35	35
00.03 Interest on Treasury borrowing .....	8	18	23
00.04 Payment of negative subsidy to receipt account .....	3		
10.00 Total obligations .....	47	53	58
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year: Uninvested .....		5	5
22.00 New financing authority (gross) .....	53	54	58
23.90 Total budgetary resources available for obligation .....	53	59	63
23.95 New obligations .....	-47	-53	-58
24.40 Unobligated balance available, end of year: Uninvested .....	5	5	5
<b>New financing authority (gross), detail:</b>			
67.15 Authority to borrow (indefinite) .....	27	26	27

**General and special funds—Continued**

**RURAL DEVELOPMENT LOAN FUND DIRECT LOAN FINANCING ACCOUNT—Continued**

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

Identification code 12-4219-0-3-452	1997 actual	1998 est.	1999 est.
<b>Spending authority from offsetting collections:</b>			
68.00 Offsetting collections (cash) .....	33	43	38
68.10 Change in orders on hand from Federal sources .....	-8	-15	-8
68.90 Spending authority from offsetting collections (total) .....	25	28	30
70.00 Total new financing authority (gross) .....	53	54	58
<b>Change in unpaid obligations:</b>			
Unpaid obligations, start of year:			
72.40 Obligated balance: Uninvested .....	59	58	48
72.95 Receivables from program account .....	74	66	51
72.99 Total unpaid obligations, start of year .....	133	124	98
73.10 New obligations .....	47	53	58
73.20 Total financing disbursements (gross) .....	-56	-79	-73
Unpaid obligations, end of year:			
74.40 Obligated balance: Uninvested .....	58	48	40
74.95 Receivables from program account .....	66	51	43
74.99 Total unpaid obligations, end of year .....	124	98	83
87.00 Total financing disbursements (gross) .....	56	79	73
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account .....	-25	-33	-25
88.25 Interest on uninvested funds .....	-3	-6	-7
88.40 Non-Federal sources .....	-5	-4	-6
88.90 Total, offsetting collections (cash) .....	-33	-43	-38
88.95 Change in receivables from program accounts .....	8	15	8
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	28	26	28
90.00 Financing disbursements .....	23	37	35

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

Identification code 12-4219-0-3-452	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	37	35	35
1150 Total direct loan obligations .....	37	35	35
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	131	173	231
1231 Disbursements: Direct loan disbursements .....	45	61	50
1251 Repayments: Repayments and prepayments .....	-4	-2	-4
1290 Outstanding, end of year .....	173	231	278

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

This account finances loans to intermediary borrowers, who in turn relend the funds to small rural businesses, community development corporations, or other organizations for the purpose of improving economic opportunities in rural areas. Through the use of local intermediaries, this program is able to serve small-scale enterprises and give preference to those communities with the greatest need.

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

Identification code 12-4219-0-3-452	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	17	26	28	23
Investments in US securities:				
1106 Receivables, net .....	74	67	51	43
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	131	169	231	278
1402 Interest receivable .....	1	2	2	2
1405 Allowance for subsidy cost (-) .....	-71	-87	-113	-124
1499 Net present value of assets related to direct loans .....	61	84	120	155
1999 Total assets .....	152	176	199	221
<b>LIABILITIES:</b>				
Federal liabilities:				
2104 Resources payable to Treasury .....	78	110	148	178
2105 Other .....	74	67	51	43
2999 Total liabilities .....	152	176	199	221
4999 Total liabilities and net position .....	152	176	199	221

**RURAL DEVELOPMENT LOAN FUND LIQUIDATING ACCOUNT**

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

Identification code 12-4233-0-3-452	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year .....	7	5	4
03.00 Offsetting collections .....	1	1	1
04.00 Total: Balances and collections .....	8	6	5
Appropriation:			
05.01 Unobligated balance returned to receipts .....	-3	-2	-2
07.99 Total balance, end of year .....	5	4	3

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

Identification code 12-4233-0-3-452	1997 actual	1998 est.	1999 est.
<b>New budget authority (gross), detail:</b>			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	3	4	4
68.26 Spending authority from offsetting collections (balances) .....	3	2	2
68.27 Capital transfer to general fund .....	-5	-5	-5
68.45 Portion not available for obligation (limitation on obligations) .....	-1	-1	-1
68.90 Spending authority from offsetting collections (total) .....			
<b>Change in unpaid obligations:</b>			
Unpaid obligations, start of year: Obligated balance:			
72.40 Uninvested .....	6	3	2
73.20 Total outlays (gross) .....	-3	-1	-1
Unpaid obligations, end of year: Obligated balance:			
74.40 Uninvested .....	3	2	2
<b>Outlays (gross), detail:</b>			
86.98 Outlays from permanent balances .....	3	1	1
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-3	-4	-4
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	-3	-4	-4
90.00 Outlays .....		-3	-3

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

Identification code 12-4233-0-3-452	1997 actual	1998 est.	1999 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	84	82	80



1231	Disbursements: Direct loan disbursements .....	1	1	.....
1251	Repayments: Repayments and prepayments .....	-3	-3	-3
1263	Write-offs for default: Direct loans .....	-1	.....	.....
1290	Outstanding, end of year .....	82	80	77

<sup>1</sup> Amounts shown include advances on behalf of borrowers.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated prior to 1992. New loan activity in 1992 and beyond is recorded in corresponding program and financing accounts.

**Statement of Operations** (in millions of dollars)

Identification code 12-4233-0-3-452	1996 actual	1997 actual	1998 est.	1999 est.
0101 Revenue .....	1	1	1	1
0102 Expense .....	6	.....	.....	.....
0109 Net income or loss (-) .....	7	1	1	1

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

Identification code 12-4233-0-3-452	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	9	4	3	3
1206 Non-Federal assets: Receivables, net .....	.....	.....	.....	.....
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross .....	85	82	82	77
1603 Allowance for estimated uncollectible loans and interest (-) .....	-42	-39	-41	-41
1604 Direct loans and interest receivable, net .....	43	43	41	36
1699 Value of assets related to direct loans .....	43	43	41	36
1999 Total assets .....	52	47	44	39
<b>LIABILITIES:</b>				
2104 Federal liabilities: Resources payable to Treasury .....	52	47	44	44
2999 Total liabilities .....	52	47	44	44
4999 Total liabilities and net position .....	52	47	44	44

**RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT**  
(INCLUDING TRANSFERS OF FUNDS)

For the principal amount of direct loans, as authorized under section 313 of the Rural Electrification Act, for the purpose of promoting rural economic development and job creation projects, **[\$25,000,000] \$15,000,000.**

For the cost of direct loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, **[\$5,978,000] \$3,783,000.**

Of the funds derived from interest on the cushion of credit payments in fiscal year [1998] 1999, as authorized by section 313 of the Rural Electrification Act of 1936, **[\$5,978,000] \$3,783,000** shall not be obligated and **[\$5,978,000] \$3,783,000** are rescinded. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-3108-0-1-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct Loan Subsidy .....	3	6	4
00.05 Reestimates of direct loan subsidy .....	1	.....	.....
00.09 Administrative expenses subject to limitation .....	1	.....	.....
10.00 Total obligations .....	4	6	4

**Budgetary resources available for obligation:**

22.00	New budget authority (gross) .....	4	6	4
23.95	New obligations .....	-4	-6	-4

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

<b>Current:</b>				
40.00	Appropriation .....	3	6	4
<b>Permanent:</b>				
60.05	Appropriation (indefinite) .....	1	.....	.....
70.00	Total new budget authority (gross) .....	4	6	4

**Change in unpaid obligations:**

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

**Outlays (gross), detail:**

86.90	Outlays from new current authority .....	1	1	.....
86.93	Outlays from current balances .....	3	3	5
86.97	Outlays from new permanent authority .....	1	.....	.....
87.00	Total outlays (gross) .....	4	3	5

**Net budget authority and outlays:**

89.00	Budget authority .....	4	6	4
90.00	Outlays .....	4	3	5

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

Identification code 12-3108-0-1-452	1997 actual	1998 est.	1999 est.	
<b>Direct loan levels supportable by subsidy budget authority:</b>				
1150	Direct loan levels .....	12	25	15
1159	Total direct loan levels .....	12	25	15
<b>Direct loan subsidy (in percent):</b>				
1320	Subsidy rate .....	22.93	23.91	25.22
1329	Weighted average subsidy rate .....	22.93	23.91	25.22
<b>Direct loan subsidy budget authority:</b>				
1330	Subsidy budget authority .....	3	6	4
1339	Total subsidy budget authority .....	3	6	4
<b>Direct loan subsidy outlays:</b>				
1340	Subsidy outlays .....	4	3	5
1349	Total subsidy outlays .....	4	3	5
<b>Administrative expense data:</b>				
3510	Budget authority .....	1	.....	.....
3590	Outlays .....	1	.....	.....

Rural economic development loans are made for the purpose of promoting rural economic development and job creation projects. Loans are made to electric and telecommunication borrowers, who in turn finance rural development projects in their service areas.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond. The subsidy amounts are estimated on a present value basis.

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

Identification code 12-3108-0-1-452	1997 actual	1998 est.	1999 est.	
25.3	Purchases of goods and services from Government accounts .....	1	.....	.....
41.0	Grants, subsidies, and contributions .....	4	6	4
99.9	Total obligations .....	4	6	4

**General and special funds—Continued**

**RURAL ECONOMIC DEVELOPMENT DIRECT LOAN FINANCING ACCOUNT**

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

Identification code 12-4176-0-3-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct Loans .....	12	25	15
00.02 Interest Expense .....	3	4	5
10.00 Total obligations .....	16	29	20
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	2	3	3
22.00 New financing authority (gross) .....	16	28	20
22.10 Resources available from recoveries of prior year obligations .....	1		
22.70 Balance of authority to borrow withdrawn .....	-1		
23.90 Total budgetary resources available for obligation	19	31	23
23.95 New obligations .....	-16	-29	-20
24.40 Unobligated balance available, end of year:			
Uninvested .....	3	3	3
<b>New financing authority (gross), detail:</b>			
67.15 Authority to borrow (indefinite) .....	15	19	11
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash) .....	9	10	13
68.10 Change in orders on hand from Federal sources .....		2	-1
68.47 Portion applied to debt reduction .....	-8	-3	-4
68.90 Spending authority from offsetting collections (total) .....	1	10	8
70.00 Total new financing authority (gross) .....	16	29	20
<b>Change in unpaid obligations:</b>			
Unpaid obligations, start of year:			
72.40 Obligated balance: Uninvested .....	13	14	22
72.95 Receivables from program account .....	5	5	7
72.99 Total unpaid obligations, start of year .....	18	19	30
73.10 New obligations .....	16	29	20
73.20 Total financing disbursements (gross) .....	-14	-18	-24
73.45 Adjustments in unexpired accounts .....	-1		
Unpaid obligations, end of year:			
74.40 Obligated balance: Uninvested .....	14	22	19
74.95 Receivables from program account .....	5	7	6
74.99 Total unpaid obligations, end of year .....	19	30	25
87.00 Total financing disbursements (gross) .....	14	18	24
<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal Funds: Program Account .....	-4	-3	-4
88.25 Interest on uninvested funds .....	-1	-1	-2
88.40 Non-Federal sources: Repayment of Principal .....	-4	-6	-7
88.90 Total, offsetting collections (cash) .....	-9	-10	-13
88.95 Change in receivables from program accounts .....		-2	1
<b>Net financing authority and financing disbursements:</b>			
89.00 Financing authority .....	8	16	7
90.00 Financing disbursements .....	5	8	11

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

Identification code 12-4176-0-3-452	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans .....	12	25	15
1150 Total direct loan obligations .....	12	25	15
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	35	42	50
1231 Disbursements: Direct loan disbursements .....	11	14	20
1251 Repayments: Repayments and prepayments .....	-4	-6	-7
1290 Outstanding, end of year .....	42	50	62

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond. The amounts in this account are a means of financing and are not included in the budget totals.

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

Identification code 12-4176-0-3-452	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	8	6	7	9
Investments in US securities:				
1106 Program Account .....	4	5	7	6
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross .....	35	42	50	62
1405 Allowance for subsidy cost (-) .....	-8	-9	-3	-1
1499 Net present value of assets related to direct loans .....	27	32	48	61
1999 Total assets .....	39	43	61	76
<b>LIABILITIES:</b>				
Federal liabilities:				
2104 Resources payable to Treasury .....	35	38	54	70
2105 Other .....	4	5	7	6
2999 Total liabilities .....	39	43	61	76
4999 Total liabilities and net position .....	39	43	61	76

**RURAL ECONOMIC DEVELOPMENT LOANS LIQUIDATING ACCOUNT**

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

Identification code 12-3104-0-1-271	1997 actual	1998 est.	1999 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	7	8	10
22.00 New budget authority (gross) .....	1	2	2
23.90 Total budgetary resources available for obligation	8	10	12
24.40 Unobligated balance available, end of year:			
Uninvested .....	8	10	12
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....	1	2	2
<b>Change in unpaid obligations:</b>			
73.20 Total outlays (gross) .....	1	2	2
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	-1	-2	-2
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources: Repayment of Principal .....	-1	-2	-2
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-1	-4	-4

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

Identification code 12-3104-0-1-271	1997 actual	1998 est.	1999 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year .....	7	6	4
1231 Disbursements: Direct loan disbursements .....			
1251 Repayments: Repayments and prepayments .....	-1	-2	-2
1290 Outstanding, end of year .....	6	4	2

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated

prior to 1992. All new activity in this program is recorded in corresponding program accounts and financing accounts.

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

Identification code 12-3104-0-1-271	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	5	6	5	3
1601 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Direct loans, gross .....	6	5	4	3
1801 Other Federal assets: Cash and other monetary assets .....	2	2	4	7
1999 Total assets .....	13	13	13	13
<b>LIABILITIES:</b>				
2104 Federal liabilities: Resources payable to Treasury .....	13	13	13	13
2999 Total liabilities .....	13	13	13	13
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....				
3999 Total net position .....				
4999 Total liabilities and net position .....	13	13	13	13

**ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION REVOLVING FUND**

For necessary expenses to carry out the Alternative Agricultural Research and Commercialization Act of 1990 (7 U.S.C. 5901-5908), **[\$7,000,000 are] \$10,000,000** is appropriated to the Alternative Agricultural Research and Commercialization Corporation Revolving Fund. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-4144-0-3-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Administrative expense .....	1	1	1
00.02 Program activity .....	7	6	9
10.00 Total obligations .....	8	7	10
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	8	7	10
23.95 New obligations .....	-8	-7	-10
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	7	7	10
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1		
70.00 Total new budget authority (gross) .....	8	7	10
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested .....	6	6	6
73.10 New obligations .....	8	7	10
73.20 Total outlays (gross) .....	-8	-8	-8
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested .....	6	6	8
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	3	3	3
86.93 Outlays from current balances .....	5	5	4
86.97 Outlays from new permanent authority .....	1		
87.00 Total outlays (gross) .....	8	8	8
<b>Offsets:</b>			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources .....	-1		
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	7	7	10

90.00 Outlays .....	8	8	8
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These funds support programs authorized by the Alternative Agricultural Research and Commercialization Act of 1990 (7 U.S.C. 5901 et seq.). This Act authorizes the provision of assistance on a competitive basis to foster the development and commercialization of new nonfood, nonfeed products derived from agricultural and forestry material and animal by-products. Development of nontraditional uses provides an opportunity to improve U.S. competitiveness in foreign markets, create development and employment opportunities in rural areas, address environmental concerns and lower farm program costs. Programs are managed by the Alternative Agricultural Research and Commercialization Corporation. Program policy and oversight is provided by an eleven member Board, eight of whom are private sector scientists, producers and business experts.

In 1999, the corporation expects to participate in approximately 20 investment opportunities. These opportunities should result in the creation of nearly 1,500 new jobs and bring a minimum of 6 new products into the marketplace.

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

Identification code 12-4144-0-3-352	1997 actual	1998 est.	1999 est.
11.1 Personnel compensation: Full-time permanent .....	1	1	1
33.0 Investments and loans .....	5	5	5
41.0 Grants, subsidies, and contributions .....	2	1	3
99.9 Total obligations .....	8	7	10

**Personnel Summary**

Identification code 12-4144-0-3-352	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	6	11	11

**NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER REVOLVING FUND**

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

Identification code 12-4202-0-3-452	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
09.00 Administrative expense .....		1	1
10.00 Total obligations (object class 99.5) .....		1	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year: Uninvested .....		20	19
22.00 New budget authority (gross) .....	20		
23.90 Total budgetary resources available for obligation .....	20	20	19
23.95 New obligations .....		-1	-1
24.40 Unobligated balance available, end of year: Uninvested .....	20	19	18
<b>New budget authority (gross), detail:</b>			
60.00 Appropriation .....	20		
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....		1	1
73.20 Total outlays (gross) .....		-1	-1
<b>Outlays (gross), detail:</b>			
86.98 Outlays from permanent balances .....		1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	20		
90.00 Outlays .....		1	1

The Federal Agriculture Improvement Act of 1996 established the National Sheep Industry Improvement Center to

**General and special funds—Continued**

NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER REVOLVING FUND—Continued

promote activities to strengthen and enhance production or marketing of sheep and goat products in the United States. The Center may provide loans or grants to eligible entities to provide assistance to the industry for infrastructure development, business development, production, resource development, and market and environmental research. The 1996 Act provided up to \$20 million in mandatory funding for the establishment and operation of the Center and authorized additional discretionary funding of \$30 million.

**FOREIGN AGRICULTURAL SERVICE**

*Federal Funds*

**General and special funds:**

FOREIGN AGRICULTURAL SERVICE AND GENERAL SALES MANAGER (INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761–1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$128,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), [\$135,561,000] \$145,593,000, of which [\$3,231,000] \$3,413,000 may be transferred from the Export Loan Program account in this Act, [and \$1,035,000] \$1,093,000 may be transferred from the Public Law 480 program account in this Act, and \$2,000,000 is available solely for the purpose of offsetting fluctuations in international currency exchange rates: Provided, That these funds and any other funds that are deposited into the overseas exchange rate account are available until expended: Provided, That the Service may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1736) and the foreign assistance programs of the International Development Cooperation Administration (22 U.S.C. 2392).

None of the funds in the foregoing paragraph shall be available to promote the sale or export of tobacco or tobacco products. (*Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12–2900–0–1–352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 Market access .....	21	23	25
00.02 Market development .....	63	64	61
00.03 Market intelligence .....	22	23	26
00.04 Financial marketing assistance .....	16	17	14
00.05 Long-term market and infrastructure development .....	12	13	15
00.91 Total direct program .....	134	140	141
09.00 Reimbursable program .....	53	54	44
10.00 Total obligations .....	187	194	185
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	8	2	2
22.00 New budget authority (gross) .....	190	194	185
22.30 Unobligated balance expiring .....	–9		
23.90 Total budgetary resources available for obligation .....	189	196	187
23.95 New obligations .....	–187	–194	–185
24.40 Unobligated balance available, end of year:			
Uninvested .....	2	2	2
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	131	136	141

42.00	Transferred from other accounts .....	6	4	
43.00	Appropriation (total) .....	137	140	141
Permanent:				
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	53	54	44
70.00	Total new budget authority (gross) .....	190	194	185
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Uninvested .....	25	35	47
73.10	New obligations .....	187	194	185
73.20	Total outlays (gross) .....	–175	–182	–181
74.40	Unpaid obligations, end of year: Obligated balance:			
	Uninvested .....	35	47	51
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new current authority .....	111	118	117
86.93	Outlays from current balances .....	10	10	20
86.97	Outlays from new permanent authority .....	53	54	44
87.00	Total outlays (gross) .....	175	182	181
<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources .....	–53	–54	–44
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	137	140	141
90.00	Outlays .....	120	128	137

The mission of the Foreign Agricultural Service (FAS) is to open, expand and maintain global market opportunities through international trade, cooperation, and sustainable development activities which secure the long-term economic vitality and global competitiveness of America's rural communities and related food and agricultural enterprises.

FAS is fulfilling its mission by assisting American agriculture to increase the value of farm, food, and fish, and forestry exports 50 percent over 1994 levels by the year 2000. To meet this goal, FAS conducts a demand-driven export strategy, deploying five major policy objectives to execute the strategy, while integrating commodity and country market priorities for allocating scarce export assistance resources. These objectives include:

**Market Access:** FAS initiates, directs and coordinates the Department's formulation of trade policies and programs with the goal of maintaining and expanding world markets for U.S. agricultural products. It monitors international compliance with bilateral and multilateral trade agreements. It identifies restrictive tariff and trade practices which act as barriers to the import of U.S. agricultural commodities, then supports negotiations to remove them. It acts to counter and eliminate unfair trade practices of other countries that hinder U.S. agricultural exports to those markets. In virtually every foreign market, U.S. agricultural exports are subject to import duties and non-tariff trade restrictions. Trade information sent to Washington from FAS personnel overseas is used to map strategies for improving market access, pursuing U.S. rights under trade agreements, and developing programs and policies to make U.S. farm products more competitive. Staff increases to improve market access work will be achieved by shifting resources from FAS' financial marketing efforts.

**Market Development, Promotion and Outreach:** FAS develops foreign markets for U.S. farm products through aggressive market expansion activities. It provides services to the U.S. and foreign agricultural trade sectors that are necessary to establish, build and maintain overseas markets for U.S. agricultural products. Public Law 83–690, approved August 28, 1954, includes authority to establish up to 25 Agricultural Trade Offices. Currently 17 such offices are in operation at key foreign trading centers to assist U.S. exporters, trade groups and state export marketing officials in trade promotion. Promotional activities are carried out chiefly in cooperation with non-profit agricultural trade associations and

firms on a cost-sharing basis. The largest of FAS's promotional programs are the Market Development Cooperator Program and Market Access Program. In addition, FAS sponsors U.S. participation in several major trade shows and a number of single-industry exhibitions each year. These programs are designed to create demand for U.S. agricultural products in foreign markets, introduce U.S. food and agricultural products to potential foreign customers, and show foreign customers how to use U.S. products.

For 1999, FAS will be receiving additional funds as a result of increased cost-share contributions from the Cooperator Program.

FAS strategic outreach efforts focus on facilitating export readiness and help link both export-ready and new-to-export firms to market entry opportunities, and increase domestic awareness of export opportunities/global consumer quality and product safety expectations. These efforts are designed to strengthen the export knowledge/skills of producers and exporters so they can compete more effectively in the international marketplace. Outreach also includes targeting foreign buyers in educating them about the merits of U.S. products and how they can be purchased.

*Market Intelligence:* FAS provides U.S. farmers and traders with information on world agricultural production and trade that they can use to adjust to changes in world demand for U.S. agricultural products. This is done through a continuous program of reporting by 64 posts located throughout the world covering some 130 countries. Reporting includes information and/or data on foreign government policies, analysis of supply and demand conditions, commercial trade relationships and market opportunities. Advanced computer and telecommunications technology is used to improve and speed the flow of information between the posts and Washington. FAS analyzes agricultural information essential to the assessment of foreign supply and demand conditions in order to provide estimates of the current situation and to forecast the export potential for specific U.S. agricultural commodities.

*Financial Marketing Assistance:* FAS administers a number of price/credit and risk assistance programs designed to develop overseas markets and expand the levels of U.S. agricultural commodities. These programs include CCC Export Credit Guarantee Programs, export subsidy programs, including the Export Enhancement Program and Dairy Export Incentive Program, and food assistance activities such as Public Law 480, Food for Progress and the Section 416(b) program. These programs are designed to help developing nations make the transition from concessional financing to cash purchases, give U.S. producers the ability to counter export subsidies of foreign competitors and allow U.S. exporters to compete with sales terms offered by foreign competitors.

*Long-term Market and Infrastructure Development:* FAS helps USDA and other federal agencies, U.S. universities and others enhance the global competitiveness of U.S. agriculture and helps increase income and food availability in developing nations by mobilizing expertise for agriculturally led economic growth. Through the administration of a number of collaborative programs, FAS works to enhance U.S. agriculture's competitiveness by providing linkages to world resources and international organizations and building a spirit of cooperation. These linkages produce new technologies that are vital to improving the agricultural demand base and producing new and alternative products. Direct program activities include the administration of the Cochran Fellowship Program and management of USDA's bilateral exchange and cooperative research programs with foreign governments and institutions. Another activity is the Emerging Markets Program under which technical assistance and related activities are carried out in emerging markets aimed at enhancing their

food and rural business systems and expanding U.S. agricultural exports. At the request of the Agency for International Development, international organizations and foreign governments, technical assistance and training in agriculture and rural development are provided on a reimbursable or advance of funds basis.

In 1999, funding for FAS computer and other information technology needs are included in the discretionary funds requested for the FAS account. No funds are assumed to be transferred from the Commodity Credit Corporation for this purpose.

In 1999, FAS will conduct projects to: (1) develop an agency-wide performance tracking and evaluation system that determines success rates in implementing FAS' strategic plan; and (2) evaluate and re-engineer FAS' crop and market intelligence-gathering analysis and dissemination process to make this activity more efficient and responsive to customer needs. \$250,000 is proposed for each of these projects, to enlist private sector expertise.

In 1999, FAS will also establish an account to manage currency fluctuation, with an initial capitalization of no less than \$2.0 million. The new funds will be part of a revolving fund to accommodate exchange rate changes affecting FAS' overseas operations. Funds could be withdrawn from the funds only after exchange rate losses are verified every six months. Exchange rate gains would be deposited into the account.

FAS will be responsible for the full costs incurred by its use of U.S. embassies, as agreed in the International Cooperative Administrative Support Services system. An additional \$4 million for embassy expenses through ICASS is requested.

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

Identification code 12-2900-0-1-352	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	40	42	40
11.3 Other than full-time permanent .....	1	2	2
11.5 Other personnel compensation .....	1	1	1
11.8 Special personal services payments .....	2	2	2
11.9 Total personnel compensation .....	44	47	45
12.1 Civilian personnel benefits .....	12	12	12
21.0 Travel and transportation of persons .....	5	5	5
22.0 Transportation of things .....	1	1	1
23.2 Rental payments to others .....	10	9	9
23.3 Communications, utilities, and miscellaneous charges .....	2	2	2
24.0 Printing and reproduction .....	1	1	1
25.2 Other services .....	56	61	61
26.0 Supplies and materials .....	1	1	1
31.0 Equipment .....	2	1	3
41.0 Grants, subsidies, and contributions .....			1
99.0 Subtotal, direct obligations .....	134	140	141
99.0 Reimbursable obligations .....	53	54	44
99.9 Total obligations .....	187	194	185

**Personnel Summary**

Identification code 12-2900-0-1-352	1997 actual	1998 est.	1999 est.
<b>Direct:</b>			
1001 Total compensable workyears: Full-time equivalent employment .....	763	763	701
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent employment .....	118	118	118

**General and special funds—Continued**

SCIENTIFIC ACTIVITIES OVERSEAS (FOREIGN CURRENCY PROGRAM)

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

Identification code 12-1404-0-1-352	1997 actual	1998 est.	1999 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	1	1	1
24.40 Unobligated balance available, end of year:			
Uninvested .....	1	1	1
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	5	5	5
73.20 Total outlays (gross) .....	-1	-1	-1
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	5	5	5
<b>Outlays (gross), detail:</b>			
86.98 Outlays from permanent balances .....	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	1	1	1

As authorized by the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), as amended, USDA uses foreign currencies to support research on problems of mutual interest to the United States and participating foreign countries. After 1991 no new foreign currency programs have been or are proposed to be initiated.

**FOREIGN ASSISTANCE PROGRAMS**

The funds and facilities of the Commodity Credit Corporation may, by law, be used in carrying out programs to encourage the export of agricultural commodities.

Included in this category are the following activities carried out under the Agricultural Trade Development and Assistance Act of 1954, Public Law 480, 83rd Congress, as amended (P.L. 480): Financing sales of agricultural commodities to developing countries for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under sec. 104 (title I); for dispositions abroad (titles II and III); and for furnishing commodities to carry out the Food for Progress Act of 1985, as amended. Agreements may provide for commodities to be made available on a multi-year basis.

**[PUBLIC LAW 480 PROGRAM AND GRANT ACCOUNTS]**

**[(INCLUDING TRANSFERS OF FUNDS)]**

[For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691, 1701-1715, 1721-1726, 1727-1727f, and 1731-1736g), as follows: (1) \$226,900,000 for Public Law 480 title I credit, including Food for Progress programs; (2) \$17,608,000 is hereby appropriated for ocean freight differential costs for the shipment of agricultural commodities pursuant to title I of said Act and the Food for Progress Act of 1985; (3) \$837,000,000 is hereby appropriated for commodities supplied in connection with dispositions abroad pursuant to title II of said Act; and (4) \$30,000,000 is hereby appropriated for commodities supplied in connection with dispositions abroad pursuant to title III of said Act: *Provided*, That not to exceed 15 percent of the funds made available to carry out any title of said Act may be used to carry out any other title of said Act: *Provided further*, That such sums shall remain available until expended (7 U.S.C. 2209b).

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct credit agreements as authorized by the Agricultural Trade Development and Assistance Act of 1954, and the Food

for Progress Act of 1985, including the cost of modifying credit agreements under said Act, \$176,596,000.

In addition, for administrative expenses to carry out the Public Law 480 title I credit program, and the Food for Progress Act of 1985, to the extent funds appropriated for Public Law 480 are utilized, \$1,850,000.] (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998*.)

**PUBLIC LAW 480 GRANTS—TITLES II AND III**

*For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended, as follows: (1) \$837,000,000 for commodities supplied in connection with dispositions abroad pursuant to title II of said Act; and (2) \$30,000,000 for commodities supplied in connection with dispositions abroad pursuant to title III of said Act: Provided, That sums made available to carry out title II or title III of said Act shall remain available until expended (7 U.S.C. 1691, 1721-26a, 1727-27e, 1731-36g-3, 1737, 2209b).*

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

Identification code 12-2278-0-1-151	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Commodities supplied in connection with dispositions abroad (Title II) .....	813	837	837
00.02 Commodities supplied in connection with dispositions abroad (Title III) .....	39	30	30
10.00 Total obligations (object class 41.0) .....	852	867	867
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	6	30	68
22.00 New budget authority (gross) .....	867	867	867
22.10 Resources available from recoveries of prior year obligations .....	8	38	.....
22.22 Unobligated balance transferred from other accounts .....	1	.....	.....
23.90 Total budgetary resources available for obligation .....	882	935	935
23.95 New obligations .....	-852	-867	-867
24.40 Unobligated balance available, end of year:			
Uninvested .....	30	68	68
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	867	867	867
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	510	594	508
73.10 New obligations .....	852	867	867
73.20 Total outlays (gross) .....	-760	-915	-866
73.45 Adjustments in unexpired accounts .....	-8	-38	.....
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	594	508	509
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	507	545	545
86.93 Outlays from current balances .....	253	370	321
87.00 Total outlays (gross) .....	760	915	866
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	867	867	867
90.00 Outlays .....	760	915	866

This account funds the non-credit components of Public Law 480, title II and title III.

**PUBLIC LAW 480 TITLE I OCEAN FREIGHT DIFFERENTIAL GRANTS**

*For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended, \$9,395,000 for ocean freight differential costs for the shipment of agricultural commodities pursuant to title I of said Act, including Food for Progress programs as authorized by the Food for Progress Act of 1985, as amended: Provided, That funds made avail-*

able for the cost of title I agreements and for title I ocean freight differential may be used interchangeably between the two accounts: Provided further, That sums made available shall remain available until expended (7 U.S.C. 1701b, 2209b).

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

Identification code 12-2271-0-1-351	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 P.L. 480 Grant—Title I: Ocean freight differential (OFD) .....	17	18	9
10.00 Total obligations (object class 41.0) .....	17	18	9
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year: Uninvested .....	21	13	13
22.00 New budget authority (gross) .....	13	18	9
22.10 Resources available from recoveries of prior year obligations .....	5		
22.21 Unobligated balance transferred to other accounts .....	-9		
23.90 Total budgetary resources available for obligation .....	30	31	22
23.95 New obligations .....	-17	-18	-9
24.40 Unobligated balance available, end of year: Uninvested .....	13	13	13
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	13	18	9
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested .....	42	43	29
73.10 New obligations .....	17	18	9
73.20 Total outlays (gross) .....	-11	-31	-13
73.45 Adjustments in unexpired accounts .....	-5		
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested .....	43	29	25
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	1	10	5
86.93 Outlays from current balances .....	10	21	8
87.00 Total outlays (gross) .....	11	31	13
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	13	18	9
90.00 Outlays .....	11	31	13

This account funds the title I ocean freight differential program.

**Credit accounts:**

*PUBLIC LAW 480 PROGRAM ACCOUNT*

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of these agreements, including the cost of modifying credit arrangements under said Act, \$88,667,000: Provided, That sums made available shall remain available until expended.

In addition, for administrative expenses to carry out the Public Law 83-480 title I credit program, and the Food for Progress Act of 1985, as amended, to the extent funds appropriated for Public Law 83-480 are utilized, \$1,938,000, of which not to exceed \$1,093,000 may be transferred to and merged with the appropriation for salaries and expenses, Foreign Agricultural Service, and of which not to exceed \$845,000 may be transferred to and merged with the appropriation for salaries and expenses, Farm Service Agency. (7 U.S.C. 1691, 1701-04, 1731-36g-3, 2209b).

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

Identification code 12-2277-0-1-351	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year .....	37	38	38
Receipts:			
02.01 Downward reestimates of subsidies .....	1		
04.00 Total: Balances and collections .....	38	38	38
07.99 Total balance, end of year .....	38	38	38

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

Identification code 12-2277-0-1-351	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct loan subsidy .....	138	177	89
00.09 Administrative expenses .....	2	2	2
10.00 Total obligations .....	140	179	91
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year: Uninvested .....	7	63	69
22.00 New budget authority (gross) .....	188	179	91
22.10 Resources available from recoveries of prior year obligations .....		6	
22.21 Unobligated balance transferred to other accounts .....	-1		
22.22 Unobligated balance transferred from other accounts .....	9		
23.90 Total budgetary resources available for obligation .....	203	248	160
23.95 New obligations .....	-140	-179	-91
24.40 Unobligated balance available, end of year: Uninvested .....	63	69	69
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	188	179	91
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested .....	106	118	96
73.10 New obligations .....	140	179	91
73.20 Total outlays (gross) .....	-128	-193	-126
73.45 Adjustments in unexpired accounts .....		-6	
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested .....	118	96	62
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	52	103	53
86.93 Outlays from current balances .....	76	90	74
87.00 Total outlays (gross) .....	128	193	126
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	188	179	91
90.00 Outlays .....	128	193	126

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

Identification code 12-2277-0-1-351	1997 actual	1998 est.	1999 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loan levels .....	186	227	102
1159 Total direct loan levels .....	186	227	102
Direct loan subsidy (in percent):			
1320 Subsidy rate .....	81.79	77.83	86.79
1329 Weighted average subsidy rate .....	81.79	77.83	86.79
Direct loan subsidy budget authority:			
1330 Subsidy budget authority .....	138	177	89
1339 Total subsidy budget authority .....	138	177	89
Direct loan subsidy outlays:			
1340 Subsidy outlays .....	126	190	124
1349 Total subsidy outlays .....	126	190	124
Administrative expense data:			
3510 Budget authority .....	2	2	2
3590 Outlays from new authority .....	2	2	2

As required by the Federal Credit Reform Act of 1990, this account records, for the P.L. 480 Program, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligation in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

**Credit accounts—Continued**

**PUBLIC LAW 480 PROGRAM ACCOUNT—Continued**

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

Identification code 12-2277-0-1-351	1997 actual	1998 est.	1999 est.
25.3 Purchases of goods and services from Government accounts	2	2	2
41.0 Grants, subsidies, and contributions	138	177	89
99.9 Total obligations	140	179	91

**PUBLIC LAW 480 DIRECT CREDIT FINANCING ACCOUNT**

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

Identification code 12-4049-0-3-351	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct loans	183	227	102
00.02 Interest on Treasury borrowing	29	25	25
00.04 Interest reestimate on direct loan subsidy	1		
10.00 Total obligations	213	252	127
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross)	211	252	127
23.95 New obligations	-213	-252	-127
<b>New financing authority (gross), detail:</b>			
67.15 Authority to borrow (indefinite)	43	50	13
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	181	250	201
68.10 Change in receivables from program account	10	-22	-34
68.47 Portion applied to debt reduction	-23	-26	-53
68.90 Spending authority from offsetting collections (total)	168	202	114
70.00 Total new financing authority (gross)	211	252	127
<b>Change in unpaid obligations:</b>			
Unpaid obligations, start of year:			
72.40 Obligated balance: Uninvested	60	69	96
72.95 Receivable from program account	108	118	96
72.99 Total unpaid obligations, start of year	168	187	192
73.10 New obligations	213	252	127
73.20 Total financing disbursements (gross)	-194	-247	-153
Unpaid obligations, end of year:			
74.40 Obligated balance: Uninvested	69	96	104
74.95 Receivables from program account	118	96	62
74.99 Total unpaid obligations, end of year	187	192	166
87.00 Total financing disbursements (gross)	194	247	153

**Offsets:**

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Payments from program account	-126	-191	-124
88.00 Interest from Treasury	-7		
Non-Federal sources:			
88.40 Interest received on loans	-29	-44	-45
88.40 Principal received on loans	-4	-15	-32
88.45 Offsetting governmental collections—Jordan Debt Forgiveness	-15		
88.90 Total, offsetting collections (cash)	-181	-250	-201
88.95 Change in receivables from program accounts	-10	22	34

**Net financing authority and financing disbursements:**

89.00 Financing authority	20	24	-40
90.00 Financing disbursements	13	-3	-48

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

Identification code 12-4049-0-3-351	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	183	227	102

1150 Total direct loan obligations	183	227	102
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,264	1,371	1,596
1231 Disbursements: Direct loan disbursements	156	240	152
1251 Repayments: Repayments and prepayments	-4	-15	-32
1264 Write-offs for default: Other adjustments, net—Jordan	-45		
1290 Outstanding, end of year	1,371	1,596	1,716

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

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

Identification code 12-4049-0-3-351	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury	60	69	96	104
Investments in US securities:				
1106 Receivables, net	179	118	96	62
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	1,264	1,371	1,596	1,716
1402 Interest receivable	30	34	38	42
1405 Allowance for subsidy cost (-)	-1,040	-1,068	-1,278	-1,416
1499 Net present value of assets related to direct loans	254	337	356	342
1901 Other Federal assets: Other assets				
1999 Total assets	493	524	548	508
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable	7	8	8	8
2103 Debt	383	404	428	388
2105 Other	103	112	112	112
2999 Total liabilities	493	524	548	508
<b>NET POSITION:</b>				
3100 Appropriated capital				
3999 Total net position				
4999 Total liabilities and net position	493	524	548	508

**DEBT REDUCTION—FINANCING ACCOUNT**

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

Identification code 12-4143-0-3-351	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Payment to liquidating accounts		8	18
00.02 Interest on debt to Treasury	6	4	4
10.00 Total obligations	6	12	22
<b>Budgetary resources available for obligation:</b>			
22.00 New financing authority (gross)	6	12	22
23.95 New obligations	-6	-12	-22
<b>New financing authority (gross), detail:</b>			
67.15 Authority to borrow (indefinite)	5	10	3
Spending authority from offsetting collections: Offsetting collections (cash)			
68.00	1	2	19
70.00 Total new financing authority (gross)	6	12	22
<b>Change in unpaid obligations:</b>			
73.10 New obligations	6	12	22
73.20 Total financing disbursements (gross)	-6	-12	-22
87.00 Total financing disbursements (gross)	6	12	22



<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00	Federal sources—debt reduction transfers .....	-1	-18
88.40	Non-Federal sources .....	-1	-1
88.90	Total, offsetting collections (cash) .....	-1	-19
<b>Net financing authority and financing disbursements:</b>			
89.00	Financing authority .....	5	10
90.00	Financing disbursements .....	5	10

23.90	Total budgetary resources available for obligation	4	.....
24.40	Unobligated balance available, end of year:		
	Uninvested .....	4	.....

<b>Outlays (gross), detail:</b>			
87.00	Total outlays (gross) .....		

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

As part of a comprehensive package of U.S. assistance for Russia announced by the President in April 1993, \$385,000,000 was transferred from CCC to Food for Progress under provisions of the Secretary of Agriculture's Interchange Authority (7 U.S.C. 2257) for commodity and related transportation assistance.

Sales under the credit portion of the Food for Progress program for Russia carry a term of fifteen years, including a seven-year grace period. The interest rates are three percent during the grace period and four percent thereafter. Funding for commodity and ocean freight financing is under P.L. 480 Title I FFP and is subject to credit reform budgeting. All shipments were completed in 1995.

P.L. 480 TITLE I FOOD FOR PROGRESS CREDITS, FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Status of Direct Loans (in millions of dollars)				
Identification code 12-4143-0-3-351	1997 actual	1998 est.	1999 est.	
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans .....	27	262	
1150	Total direct loan obligations .....	27	262	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year .....	66	63	89
1233	Disbursements: Purchase of loans assets from a liquidating account .....		27	262
1251	Repayments: Repayments and prepayments .....	-1	-1	-1
1264	Write-offs for default: Other adjustments, net .....	-2		
1290	Outstanding, end of year .....	63	89	350

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 12-4143-0-3-351	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross .....	66	63	89
1405	Allowance for subsidy cost (-) .....	-30	-30	-50
1499	Net present value of assets related to direct loans .....	36	33	39
1999	Total assets .....	36	33	39
<b>LIABILITIES:</b>				
2103	Federal liabilities: Debt .....	36	41	51
2999	Total liabilities .....	36	41	51
<b>NET POSITION:</b>				
3300	Cumulative results of operations .....		-8	-12
3999	Total net position .....		-8	-12
4999	Total liabilities and net position .....	36	33	39

Identification code 12-4078-0-3-351	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.02	Interest to Treasury on borrowings .....	15	10
10.00	Total obligations .....	15	10

<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance available, start of year:		
	Uninvested .....	38	38
22.00	New financing authority (gross) .....	18	13
22.40	Capital transfer to general fund .....		-38
22.60	Redemption of debt .....	-3	-3
23.90	Total budgetary resources available for obligation	53	10
23.95	New obligations .....	-15	-10
24.40	Unobligated balance available, end of year:		
	Uninvested .....	38	.....

<b>New financing authority (gross), detail:</b>			
68.00	Spending authority from offsetting collections (gross):		
	Offsetting collections (cash) .....	18	13

<b>Change in unpaid obligations:</b>			
73.10	New obligations .....	15	10
73.20	Total financing disbursements (gross) .....	-15	-10
87.00	Total financing disbursements (gross) .....	15	10

<b>Offsets:</b>			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25	Interest on uninvested funds .....	-3	.....
88.40	Interest collections .....	-15	-13
88.90	Total, offsetting collections (cash) .....	-18	-13

<b>Net financing authority and financing disbursements:</b>			
89.00	Financing authority .....		
90.00	Financing disbursements .....	-3	-3

P.L. 480 TITLE I FOOD FOR PROGRESS CREDITS, PROGRAM ACCOUNT

Unavailable Collections (in millions of dollars)

Identification code 12-2273-0-1-351	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99	Balance, start of year .....	38	38
07.99	Total balance, end of year .....	38	38

Program and Financing (in millions of dollars)

Identification code 12-2273-0-1-351	1997 actual	1998 est.	1999 est.
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance available, start of year:		
	Uninvested .....	29	4
22.21	Unobligated balance transferred to other accounts .....	-25	-4

Identification code 12-4078-0-3-351	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans .....		
1150	Total direct loan obligations .....		

**Credit accounts—Continued**

**P.L. 480 TITLE I FOOD FOR PROGRESS CREDITS, FINANCING ACCOUNT—Continued**

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

Identification code 12-4078-0-3-351	1997 actual	1998 est.	1999 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	508	508	508
1251 Repayments: Repayments and prepayments			
1290 Outstanding, end of year	508	508	508

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

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

Identification code 12-4078-0-3-351	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury	38	38		
Investments in US securities:				
1106 Receivables, net	24	27		
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	508	508	508	508
1405 Allowance for subsidy cost (-)	-315	-321	-315	-315
1499 Net present value of assets related to direct loans	193	187	193	193
1999 Total assets	255	252	193	193
<b>LIABILITIES:</b>				
Federal liabilities:				
2102 Interest payable				
2103 Debt	228	225	193	193
2105 Other	27	27		
2999 Total liabilities	255	252	193	193
<b>NET POSITION:</b>				
3600 Other				
3999 Total net position				
4999 Total liabilities and net position	255	252	193	193

**EXPENSES, PUBLIC LAW 480, FOREIGN ASSISTANCE PROGRAMS, AGRICULTURE, LIQUIDATING ACCOUNT**

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

Identification code 12-2274-0-1-151	1997 actual	1998 est.	1999 est.
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested	128	136	
22.00 New budget authority (gross)	6		18
22.40 Capital transfer to general fund	2	-136	-18
23.90 Total budgetary resources available for obligation	136		
24.40 Unobligated balance available, end of year:			
Uninvested	136		
<b>New budget authority (gross), detail:</b>			
Spending authority from offsetting collections:			
Offsetting collections (cash):			
68.00 Offsetting collections (cash)	559	604	521
68.00 Offsetting collections—Treasury Debt Restructuring Program Account—Jordan	6		
68.00 Offsetting collections (debt forgiveness)			18
68.27 Capital transfer to general fund	-559	-604	-521
68.90 Spending authority from offsetting collections (total)	6		18

70.00 Total new budget authority (gross)	6		18
<b>Offsets:</b>			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Federal sources—Jordan debt forgiveness	-6		
88.00 Federal sources—debt forgiveness			-18
88.40 Principal and interest collections	-559	-604	-521
88.90 Total, offsetting collections (cash)	-565	-604	-539
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	-559	-604	-521
90.00 Outlays	-565	-604	-539

<b>Status of Direct Loans (in millions of dollars)</b>			
Identification code 12-2274-0-1-151	1997 actual	1998 est.	1999 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	9,767	9,446	9,092
Repayments:			
Repayments and prepayments:			
1251 Repayments and prepayments	-303	-354	-321
1251 Repayments and prepayments—debt reduction	-18		-85
Write-offs for default:			
1263 Direct loans			
1264 Other adjustments, net			
1290 Outstanding, end of year	9,446	9,092	8,686

**Program Activities**

	1997 actual	1998 est.	1999 est.
[In millions of dollars]			
Ocean freight differential (title I)	17	18	9
Commodities supplied in connection with dispositions abroad (title II)	813	837	837
Commodities supplied in connection with dispositions abroad (title III)	39	30	30
Total program level	869	885	876

**RECONCILIATION OF PROGRAM LEVEL TO PROGRAM COSTS FUNDED BY P.L. 480**

	1997 actual	1998 est.	1999 est.
[In millions of dollars]			
<i>Title I</i>			
Commodity credits	185	227	102
Ocean freight differential and ocean transportation	17	18	9
Total program level, current year	202	245	111
Prior year obligations financed	111	174	114
Obligations financed in succeeding years	-174	-114	-62
Administrative costs	2	2	2
Total program costs, funded program level	141	307	165
<i>Title II</i>			
Commodity costs	456	504	504
Ocean and inland transportation	357	333	333
Total program level, current year	813	837	837
Prior year obligations financed	278	397	350
Current year obligations financed in succeeding years	-397	-350	-351
Total program costs, funded program level	694	884	836
<i>Title III</i>			
Commodity costs	28	23	23
Ocean and inland transportation	11	7	7
Total program level, current year	39	30	30
Prior year obligations financed	50	24	23
Current year obligations financed in succeeding years	-24	-23	-22
Total program costs, funded program level	65	31	31

*Financing sales of agricultural commodities to developing countries for dollars on credit terms, or for local currencies*

(including for local currencies on credit terms) for use under sec. 104; and for furnishing commodities to carry out the Food for Progress Act of 1985, as amended (title I).—Funds appropriated for P.L. 480 are used to finance all sales made pursuant to agreements concluded under the authority of Title I. The Corporation may serve as the purchasing or shipping agent, or both, for the importing country or may award contracts for freight agent services on behalf of the Corporation to handle shipping of commodities under P.L. 480.

Sales are made to developing countries as defined in section 402(4) of P.L. 480 and must not displace expected commercial sales (secs. 403(e) and (h)). Agreements are made with developing countries for delivery in accordance with the terms of the agreement.

When U.S.-flag vessels are required to ship commodities under this title, the Corporation will pay the difference between U.S.-flag rates and foreign-flag rates. In limited cases, full transportation costs to port-of-entry or point-of-entry abroad may be included along with the cost of the commodity in the amount financed by CCC in order to ensure that U.S. food aid can reach the most needy recipients.

*Financing sales of agricultural commodities for dollars on credit terms (title I).*—Payment by developing countries or private entities may be made over a period of not more than 30 years with a deferral of principal payments for up to 5 years. Interest accrues at a concessional rate as determined appropriate.

Section 411 of P.L. 480 authorizes the President to waive payments of principal and interest under dollar credit sales agreements for countries that meet certain enumerated requirements. Such debt relief may be provided only if the President notifies Congress and may not exceed the amount approved for such purpose in an Act appropriating funds to carry out P.L. 480.

*Financing sales of agricultural commodities for local currency, including for local currency on credit terms.*—Payment by a recipient country may be made in local currencies for use in carrying out activities under section 104 of P.L. 480.

Foreign currency received in payment for credit extended may be used for payment of U.S. obligations abroad, subject to the appropriation process. The P.L. 480 program is reimbursed for the dollar value of currencies so used.

The financing of sales of agricultural commodities for local currencies on credit terms is subject to the same terms that are applicable to dollar credit financing.

*Furnishing commodities to carry out the Food for Progress Act of 1985, as amended (title I).*—Funds appropriated to carry out title I may be used to furnish commodities to carry out the Food for Progress Act of 1985. Such commodities may be furnished on credit terms or on a grant basis in order to assist developing countries and countries that are emerging democracies that have made a commitment to introduce and expand free enterprise elements in their agricultural economies.

The following table reflects the composition of the combined appropriations (in millions of dollars):

**SALES FOR DOLLARS ON CREDIT TERMS**

[In millions of dollars]				
Item:	1997 actual	1998 est.	1999 est.	
Expenses of shipments (Title I):				
Commodity costs:				
Long-term credit .....	185	227	102	
Total commodity costs .....	185	227	102	
Ocean freight and freight differential (support of U.S. Merchant Marine):				
Long-term credit .....	17	18	19	
Total ocean freight and freight differential .....	17	18	19	

Total expenses of shipments .....	202	245	111
Appropriation—Title I loan subsidy .....	194	177	89
Appropriation—Ocean freight differential .....	5	18	9
Title I credit not subsidized through appropriation .....	43	50	13

*Commodities supplied in connection with dispositions abroad (title II).*—Under title II, agricultural commodities are furnished to meet famine or other emergency relief needs, combat malnutrition, carry out activities to alleviate the causes of hunger, mortality and morbidity, promote economic and community development, promote sound environmental practices, and carry out feeding programs. Agricultural commodities are provided through governments for emergencies only, and for non-emergencies through public and private agencies, including intergovernmental organizations.

The Corporation is authorized to pay the costs of acquisition, packaging, processing, enrichment, preservation, fortification, transportation, handling, and other incidental costs incurred up to the time of delivery at U.S. ports. The Corporation also pays ocean freight charges, and pays transportation costs to points of entry other than ports in the case of landlocked countries, where carriers to a specific country are not available, where ports cannot be used effectively, or where a substantial savings in costs or time can be effected, and pays general average contributions arising from ocean transport. In addition, transportation costs from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs may be paid for commodities made available to meet urgent and extraordinary relief requirements.

The following table reflects the composition of the appropriations (in millions of dollars):

**COMMODITIES SUPPLIED IN CONNECTION WITH DISPOSITIONS ABROAD**

(TITLE II)				
[In millions of dollars]				
Item:	1997 actual	1998 est.	1999 est.	
Expenses of shipments:				
Commodity Credit Corporation stocks and other costs in connection with commodities supplied .....	456	504	504	
Ocean transportation .....	357	333	333	
Total program costs .....	813	837	837	
Appropriation or estimate .....	813	837	837	

*Commodities supplied in connection with dispositions abroad (title III).*—Under title III, agricultural commodities are furnished to least developed countries as defined in section 302(a). They are provided through foreign governments for direct feeding, development of emergency food reserves or may be sold with the proceeds of such sale used by the recipient country for specific economic development purposes.

The Corporation may pay, in connection with furnishing commodities under title III, the same cost items as authorized under title II. The following table reflects the composition of the appropriations (in millions of dollars):

**COMMODITIES SUPPLIED IN CONNECTION WITH DISPOSITIONS ABROAD**

(TITLE III)				
[In millions of dollars]				
Item:	1997 actual	1998 est.	1999 est.	
Expenses of shipments:				
Commodity Credit Corporation stocks and other costs in connection with commodities supplied .....	28	23	23	
Ocean transportation .....	11	7	7	
Total program costs .....	39	30	30	

**Credit accounts—Continued**

**EXPENSES, PUBLIC LAW 480, FOREIGN ASSISTANCE PROGRAMS,  
AGRICULTURE, LIQUIDATING ACCOUNT—Continued**

**(TITLE III)—Continued**

[In millions of dollars]

	1997 actual	1998 est.	1999 est.	
Appropriation or estimate .....	39	30	30	
<b>Balance Sheet (in millions of dollars)</b>				
Identification code 12-2274-0-1-151	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
Federal assets:				
1101 Fund balances with Treasury .....	128	136		
Investments in US securities:				
1106 Receivables, net .....	5			
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
Direct loans, gross:				
1601 Direct loans, gross .....	9,767	9,464	9,092	8,771
1601 Direct loans, adjustment—Debt Reduction for Jordan .....		-18		
1601 Direct loans, debt forgiveness .....				-85
1602 Interest receivable .....	131	125	131	131
1603 Allowance, loans receivable (-) .....	-5,680	-5,447	-5,417	-5,417
1699 Value of assets related to direct loans .....	4,218	4,124	3,806	3,400
1999 Total assets .....	4,351	4,260	3,806	3,400
<b>LIABILITIES:</b>				
Federal liabilities:				
2101 Accounts payable .....		19		
2104 Resources payable to Treasury .....	4,351	4,259	3,806	3,485
2999 Total liabilities .....	4,351	4,278	3,806	3,485
<b>NET POSITION:</b>				
Cumulative results of operations:				
3300 Cumulative results of operations—Jordan .....		-18		
3300 Cumulative results of operations—debt forgiveness .....				-85
3999 Total net position .....		-18		-85
4999 Total liabilities and net position .....	4,351	4,260	3,806	3,400

**Trust Funds**

**MISCELLANEOUS CONTRIBUTED FUNDS**

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

Identification code 12-8232-0-7-352	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year .....			3
Receipts:			
02.01 Deposits of miscellaneous contributed funds, International Cooperation and Development .....		4	4
04.00 Total: Balances and collections .....	1	4	7
Appropriation:			
05.01 Miscellaneous contributed funds .....	-1	-1	-1
07.99 Total balance, end of year .....		3	6

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

Identification code 12-8232-0-7-352	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations (object class 41.0) .....	1	1	1
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year: Uninvested .....	5	5	5
22.00 New budget authority (gross) .....	1	1	1
23.90 Total budgetary resources available for obligation .....	6	6	6
23.95 New obligations .....	-1	-1	-1

24.40 Unobligated balance available, end of year: Uninvested .....	5	5	5
<b>New budget authority (gross), detail:</b>			
60.27 Appropriation (trust fund, indefinite) .....	1	1	1
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....	1	1	1
73.20 Total outlays (gross) .....	-1	-1	-1
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	1	1	1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	1	1	1
90.00 Outlays .....	1	1	1

Miscellaneous funds are received from other Federal agencies, international organizations, and from Saudi Arabia, Spain, and developing countries, for USDA development assistance and international research projects (22 U.S.C. 2392).

**FOOD AND [CONSUMER] NUTRITION SERVICE**

**Federal Funds**

**General and special funds:**

**FOOD PROGRAM ADMINISTRATION**

For necessary administrative expenses of the domestic food programs funded under this Act, [\$107,619,000] \$111,848,000, of which \$5,000,000 shall be available only for simplifying procedures, reducing overhead costs, tightening regulations, improving food stamp coupon handling, and assistance in the prevention, identification, and prosecution of fraud and other violations of law: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$150,000 shall be available for employment under 5 U.S.C. 3109. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-3508-0-1-605	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Direct program: Food program administration .....	106	108	112
09.01 Reimbursable administrative services provided to Federal agencies .....	1	1	1
10.00 Total obligations .....	107	109	113
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	107	109	113
23.95 New obligations .....	-107	-109	-113
<b>New budget authority (gross), detail:</b>			
Current:			
40.00 Appropriation .....	106	108	112
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1	1	1
70.00 Total new budget authority (gross) .....	107	109	113
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested .....	8	9	10
73.10 New obligations .....	107	109	113
73.20 Total outlays (gross) .....	-106	-108	-111
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested .....	9	10	12
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	97	99	103
86.93 Outlays from current balances .....	8	8	9
86.97 Outlays from new permanent authority .....	1	1	1
87.00 Total outlays (gross) .....	106	108	111

<b>Offsets:</b>				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-1	-1	-1
<b>Net budget authority and outlays:</b>				
89.00	Budget authority	106	108	112
90.00	Outlays	106	107	110

**Food program administration funds the Federal operating expenses of the Food and Nutrition Service.**

<b>Object Classification</b> (in millions of dollars)				
Identification code 12-3508-0-1-605		1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>				
<b>Personnel compensation:</b>				
11.1	Full-time permanent	73	74	76
11.3	Other than full-time permanent	2	2	2
11.5	Other personnel compensation	1	1	2
11.9	Total personnel compensation	76	77	80
12.1	Civilian personnel benefits	15	15	15
21.0	Travel and transportation of persons	2	3	3
23.3	Communications, utilities, and miscellaneous charges	2	2	2
25.2	Other services	6	6	7
26.0	Supplies and materials	1	1	2
31.0	Equipment	2	3	3
99.0	Subtotal, direct obligations	104	107	112
99.0	Reimbursable obligations	1	1	1
99.5	Below reporting threshold	2	1	
99.9	Total obligations	107	109	113

**Personnel Summary**

Identification code 12-3508-0-1-605		1997 actual	1998 est.	1999 est.
1001	Total compensable workyears: Full-time equivalent employment	1,553	1,560	1,612

**FOOD STAMP PROGRAM**

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. 2011 et seq.), **[\$25,140,479,000] \$24,701,806,000**, of which **[\$100,000,000] \$1,000,000,000** shall be placed in reserve for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided*, That funds provided herein shall be expended in accordance with section 16 of the Food Stamp Act: *Provided further*, That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: *Provided further*, That none of the funds made available under this heading shall be used for studies and evaluations: *Provided further*, That funds made available for *Employment and Training under this head shall remain available until expended, as authorized by section 16(h)(1) of the Food Stamp Act, as amended.*

*For necessary expenses to carry out the Food Stamp Act for the first quarter of fiscal year 2000, \$5,200,000,000, to remain available through January 31, 2000. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)*

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

Identification code 12-3505-0-1-605		1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>				
<b>Direct program:</b>				
00.01	Properly issued benefits	18,281	17,263	18,371
00.02	Estimated State erroneous issuances	1,369	1,299	1,383
00.03	State administration	1,739	1,812	2,098
00.04	Employment and training program	212	363	369
00.05	Other program costs	76	72	62
00.06	Puerto Rico	1,174	1,204	1,236
00.07	Food distribution program on Indian reservations (Commodities in lieu of food stamps)	53	54	54
00.08	Food distribution program on Indian reservations (Cooperator administrative expense)	19	21	21
00.09	The emergency food assistance program (commodities)	80	100	100

00.10	Modified Food Stamp Program in American Samoa	5	5	5
00.11	Community Food Project	3	3	3
00.91	Total direct program	23,011	22,196	23,702
09.01	Reimbursable program	9	185	235
10.00	Total obligations	23,020	22,381	23,937

**Budgetary resources available for obligation:**

22.00	New budget authority (gross)	27,627	25,010	24,937
22.30	Unobligated balance expiring	-4,608	-2,629	-1,000
23.90	Total budgetary resources available for obligation	23,019	22,381	23,937
23.95	New obligations	-23,020	-22,381	-23,937

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

<b>Current:</b>				
40.00	Appropriation	27,618	25,140	24,702
41.00	Transferred to other accounts		-315	
43.00	Appropriation (total)	27,618	24,825	24,702
<b>Permanent:</b>				
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	9	185	235
70.00	Total new budget authority (gross)	27,627	25,010	24,937

**Change in unpaid obligations:**

72.40	Unpaid obligations, start of year: Obligated balance: Uninvested	420	602	482
73.10	New obligations	23,020	22,381	23,937
73.20	Total outlays (gross)	-22,866	-22,501	-23,893
73.40	Adjustments in expired accounts	28		
74.40	Unpaid obligations, end of year: Obligated balance: Uninvested	602	482	526

**Outlays (gross), detail:**

86.90	Outlays from new current authority	22,437	21,714	23,176
86.93	Outlays from current balances	420	602	482
86.97	Outlays from new permanent authority	9	185	235
87.00	Total outlays (gross)	22,866	22,501	23,893

**Offsets:**

Against gross budget authority and outlays:				
88.40	Offsetting collections (cash) from: Non-Federal sources	-9	-185	-235

**Net budget authority and outlays:**

89.00	Budget authority	27,618	24,825	24,702
90.00	Outlays	22,857	22,316	23,658

**Summary of Budget Authority and Outlays**

(in millions of dollars)				
Enacted/requested:	1997 actual	1998 est.	1999 est.	
Budget Authority	27,618	24,825	24,702	
Outlays	22,857	22,316	23,658	
Legislative proposal, subject to PAYGO:				
Budget Authority		100	355	
Outlays		100	375	
Total:				
Budget Authority	27,618	24,925	25,057	
Outlays	22,857	22,416	24,033	

The Food Stamp Program is the primary source of nutrition assistance for low-income Americans.

Some of these funds provide a grant to Puerto Rico in lieu of the food stamp program which gives the Commonwealth flexibility to continue a food assistance program tailored to the needs of its low income households.

Funds in this account are also used to carry out the Emergency Food Assistance Act of 1983 and for food distribution and administrative expenses for native Americans under section 4(b) of the Food Stamp Act.

The Budget reflects a transfer of \$315 million in 1998 from the Food Stamp Program to the Child Nutrition Program for funds needed for increased participation levels.

Language is requested to clarify that funds made available for Employment and Training activities authorized under Sec.

**General and special funds—Continued**

**FOOD STAMP PROGRAM—Continued**

16(h)(1) of the Food Stamp Act, as amended, shall remain available until expended.

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

Identification code 12-3505-0-1-605	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
11.1 Personnel compensation: Full-time permanent .....	3	4	4
21.0 Travel and transportation of persons .....	1	2	2
22.0 Transportation of things .....	4	4	3
24.0 Printing and reproduction .....	24	27	21
25.1 Advisory and assistance services .....	3	.....	6
25.2 Other services .....	39	34	26
26.0 Supplies and materials .....	1	2	2
31.0 Equipment .....	.....	.....	1
41.0 Grants, subsidies, and contributions .....	22,936	22,123	23,637
99.0 Subtotal, direct obligations .....	23,011	22,196	23,702
99.0 Reimbursable obligations .....	9	185	235
99.9 Total obligations .....	23,020	22,381	23,937

**Personnel Summary**

Identification code 12-3505-0-1-605	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	56	56	56

**FOOD STAMP PROGRAM**

(Legislative proposal, subject to PAYGO)

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

Identification code 12-3505-4-1-605	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Benefits .....	.....	100	535
00.03 State administration .....	.....	.....	-180
10.00 Total obligations (object class 41.0) .....	.....	100	355
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	.....	100	355
23.95 New obligations .....	.....	-100	-355
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	.....	100	355
.....	.....	100	355
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....	.....	100	355
73.20 Total outlays (gross) .....	.....	-100	-375
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested .....	.....	.....	-20
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	.....	100	375
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	.....	100	355
90.00 Outlays .....	.....	100	375

The Administration is proposing to restore Food Stamp benefits to certain legal immigrants made ineligible by restrictions in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The Administration is also proposing reforms to prevent Federal costs from increasing due to changes in State plans to allocate administrative costs between public assistance programs, including Food Stamps, Medicaid, and Temporary Assistance for Needy Families.

**CHILD NUTRITION PROGRAMS**  
(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the National School Lunch Act (42 U.S.C. 1751 et seq.), except section 21, and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), except sections 17 and 21; [\$7,767,816,000] \$9,229,897,000, to remain available through September 30, [1999] 2000, of which [\$2,616,425,000] \$3,897,703,000 is hereby appropriated and [\$5,151,391,000] \$5,332,194,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c): *Provided*, [That none of the funds made available under this heading shall be used for studies and evaluations: *Provided further*,] That up to [\$4,124,000] \$4,300,000 shall be available for independent verification of school food service claims. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-3539-0-1-605	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
<b>School lunch program:</b>			
00.01 Above 185% of poverty .....	300	309	320
00.02 130-185% of poverty .....	443	457	474
00.03 Below 130% of poverty .....	4,289	4,420	4,590
00.91 Subtotal, school lunch .....	5,032	5,186	5,384
<b>School breakfast program:</b>			
01.01 Above 185% of poverty .....	72	78	83
01.02 130-185% of poverty .....	107	115	123
01.03 Below 130% of poverty .....	1,034	1,114	1,191
01.91 Subtotal, school breakfast .....	1,213	1,307	1,397
<b>Child and adult care feeding program:</b>			
02.01 Above 185% of poverty .....	668	213	226
02.02 130-185% of poverty .....	76	73	78
02.03 Below 130% of poverty .....	839	1,204	1,278
02.04 Audits .....	26	30	30
02.91 Subtotal, child and adult care feeding .....	1,609	1,520	1,612
03.01 Summer Food Service Program .....	258	272	295
03.02 Special milk program .....	18	18	18
03.03 State administrative expenses .....	104	118	118
03.04 Commodity procurement .....	296	340	370
<b>Discretionary activities:</b>			
04.01 School meals initiative .....	10	10	10
04.02 Coordinated Review .....	4	4	4
04.03 Nutrition studies and surveys .....	2	.....	3
04.04 Nutrition education and training .....	4	4	10
04.05 Computer support and processing .....	6	8	7
04.06 Demonstrations .....	4	4	.....
04.07 Food safety education .....	.....	.....	2
04.91 Subtotal, discretionary activities .....	30	30	36
<b>Activities with permanent appropriations:</b>			
05.01 Homeless children nutrition program .....	2	3	4
05.02 Boarder babies and information clearinghouse .....	1	1	.....
05.03 Food Service Management Institute .....	2	2	2
05.91 Subtotal, activities with permanent appropriations .....	5	6	6
10.00 Total obligations .....	8,565	8,797	9,236
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year: Uninvested .....	386	607	2
22.00 New budget authority (gross) .....	8,659	8,089	9,236
22.10 Resources available from recoveries of prior year obligations .....	136	104	.....
22.30 Unobligated balance expiring .....	-10	.....	.....
23.90 Total budgetary resources available for obligation .....	9,171	8,800	9,238
23.95 New obligations .....	-8,565	-8,797	-9,236
24.40 Unobligated balance available, end of year: Uninvested .....	607	2	2
<b>New budget authority (gross), detail:</b>			
<b>Current:</b>			
40.00 Appropriation .....	3,219	2,617	3,898
42.00 Transferred from other accounts .....	.....	315	.....
43.00 Appropriation (total) .....	3,219	2,932	3,898
<b>Permanent:</b>			
60.00 Appropriation .....	6	6	6

62.00	Transferred from other accounts .....	5,434	5,151	5,332
63.00	Appropriation (total) .....	5,440	5,157	5,338
70.00	Total new budget authority (gross) .....	8,659	8,089	9,236
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Uninvested .....	1,159	1,307	1,206
73.10	New obligations .....	8,565	8,797	9,236
73.20	Total outlays (gross) .....	-8,265	-8,796	-9,073
73.40	Adjustments in expired accounts .....	-16		
73.45	Adjustments in unexpired accounts .....	-136	-104	
74.40	Unpaid obligations, end of year: Obligated balance:			
	Uninvested .....	1,307	1,206	1,368
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new current authority .....	1,666	2,332	2,529
86.93	Outlays from current balances .....	1,159	1,307	1,206
86.97	Outlays from new permanent authority .....	5,440	5,157	5,338
87.00	Total outlays (gross) .....	8,265	8,796	9,073
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	8,659	8,089	9,236
90.00	Outlays .....	8,265	8,796	9,073

Payments are made for cash and commodity meal subsidies through the School Lunch, School Breakfast, Summer Food Service, and Child and Adult Care Food programs.

The Budget reflects a transfer of \$315 million from the Food Stamp Program to the Child Nutrition Program in fiscal year 1998. These funds are necessary to support increased participation in the lunch and child care programs.

A number of provisions in the child nutrition programs expire at the end of fiscal year 1998, for which the Administration fully supports cost neutral reauthorization. While the Budget proposes no specific legislation, the Administration is considering various options and may propose a specific package at a later date.

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

Identification code 12-3539-0-1-605	1997 actual	1998 est.	1999 est.
11.1 Personnel compensation: Full-time permanent .....	4	4	5
12.1 Civilian personnel benefits .....	1	1	1
21.0 Travel and transportation of persons .....	1	1	
24.0 Printing and reproduction .....	2	2	2
25.1 Advisory and assistance services .....	2		
25.2 Other services .....	5	3	5
26.0 Supplies and materials (Commodities) .....	302	341	371
41.0 Grants, subsidies, and contributions .....	8,248	8,445	8,852
99.9 Total obligations .....	8,565	8,797	9,236

**Personnel Summary**

Identification code 12-3539-0-1-605	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	101	109	109

**SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)**

For necessary expenses to carry out the special supplemental nutrition program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), **[\$3,924,000,000] \$4,081,000,000**, to remain available through September 30, **[1999] 2000**, of which **\$20,000,000**, to remain available until expended, shall be placed in reserve to be used only in such amounts and in such manner as the Secretary determines necessary, notwithstanding section 17(i) of such Act, for food benefits, should food costs exceed budget estimates: **[Provided, That none of the funds made available under this heading shall be used for studies and evaluations: Provided further, That up to \$12,000,000 may be used to carry out the farmers' market nutrition program from any funds not needed to maintain current caseload levels:] Provided [further], That notwithstanding sections**

**17(g), (h), and (i) of such Act, the Secretary shall adjust fiscal year [1998] 1999 State allocations to reflect food funds available to the State from fiscal year [1997] 1998 under sections 17(i)(3)(A)(ii) and 17(i)(3)(D): Provided further, That the Secretary shall allocate [funds recovered from fiscal year 1997 first to States to maintain stability funding levels, as defined by regulations promulgated under section 17(g), and then to give first priority for the allocation of any remaining funds to States whose funding is less than their fair share of funds, as defined by regulations promulgated under section 17(g)] fiscal year 1999 funds in a manner that provides a portion of the food funds to all States to meet inflation, and a portion of food funds to States whose funding is less than their fair share of funds, as defined by regulations promulgated under section 17(g), unless the Secretary has published a revised funding formula regulation prior to the allocation of fiscal year 1999 funds: Provided further, That none of the funds in this Act shall be available to pay administrative expenses of WIC clinics except those that have an announced policy of prohibiting smoking within the space used to carry out the program: Provided further, That none of the funds provided in this account shall be available for the purchase of infant formula except in accordance with the cost containment and competitive bidding requirements specified in section 17 of the Child Nutrition Act of 1966: Provided further, That for fiscal year 1999 and thereafter, State agencies required to procure infant formula using a competitive bidding system may use funds appropriated by this Act to purchase infant formula under a cost containment contract entered into after September 30, 1996, only if the contract was awarded to the bidder offering the lowest net price, as defined by section 17(b)(20) of the Child Nutrition Act of 1966, unless the State agency demonstrates to the satisfaction of the Secretary that the weighted average retail price for different brands of infant formula in the State does not vary by more than five percent. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)**

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

Identification code 12-3510-0-1-605	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations .....	4,046	4,024	4,161
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
	Uninvested .....	118	
22.00 New budget authority (gross) .....	3,806	3,924	4,081
22.10 Resources available from recoveries of prior year obligations .....	122	100	100
23.90 Total budgetary resources available for obligation .....	4,046	4,024	4,181
23.95 New obligations .....	-4,046	-4,024	-4,161
24.40 Unobligated balance available, end of year:			
	Uninvested .....		20
<b>New budget authority (gross), detail:</b>			
40.00 Appropriation .....	3,806	3,924	4,081
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
	Uninvested .....	239	289
73.10 New obligations .....	4,046	4,024	4,161
73.20 Total outlays (gross) .....	-3,866	-3,949	-4,052
73.40 Adjustments in expired accounts .....	-8		
73.45 Adjustments in unexpired accounts .....	-122	-100	-100
74.40 Unpaid obligations, end of year: Obligated balance:			
	Uninvested .....	289	274
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	3,749	3,660	3,787
86.93 Outlays from current balances .....	117	289	264
87.00 Total outlays (gross) .....	3,866	3,949	4,052
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	3,806	3,924	4,081
90.00 Outlays .....	3,866	3,949	4,052

The Special Supplemental Nutrition Program (WIC) provides at-risk pregnant and post-partum women, infants, and children with nutrition assistance, nutrition education and counseling, and health and immunization referrals.

**General and special funds—Continued**

**SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)—Continued**

WIC expires at the end of 1998. While the budget proposes no specific legislation, the administration fully supports reauthorization and is considering management and other program integrity issues and may propose legislation at a later date.

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

Identification code 12-3510-0-1-605	1997 actual	1998 est.	1999 est.
25.1 Advisory and assistance services .....	4		3
41.0 Grants, subsidies, and contributions .....	4,042	4,024	4,158
99.9 Total obligations .....	4,046	4,024	4,161

**COMMODITY ASSISTANCE PROGRAM**

For necessary expenses to carry out the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) [and, for administrative expenses pursuant to section 204 of]; *the nutrition program for the elderly as authorized by section 311 of the Older Americans Act of 1965 (42 U.S.C. 3030a); special assistance for the nuclear affected islands as authorized by the Omnibus Insular Areas Act of 1992; section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note); farmers' market nutrition program as authorized by section 17(m) of the Child Nutrition Act of 1966; food gleaning and recovery systems; and the Emergency Food Assistance Act of 1983, [S\$141,000,000.] S\$17,081,000, to remain available through September 30, [1999] 2000: Provided, That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program.*

**[FOOD DONATIONS PROGRAMS FOR SELECTED GROUPS]**

[For necessary expenses to carry out section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note), and section 311 of the Older Americans Act of 1965 (42 U.S.C. 3030a), S\$141,165,000, to remain available through September 30, 1999.] (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-3507-0-1-605	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
Commodity supplemental food program:			
00.01 Commodity procurement .....	74	77	77
00.02 Administrative costs .....	19	19	19
01.92 Subtotal, commodity supplemental food program .....	93	96	96
The emergency food assistance program:			
02.01 Administrative costs .....	41	45	45
02.02 Commodity procurement .....	51		
02.03 Food gleaning and recovery .....			20
02.92 Subtotal, the emergency food assistance program .....	92	45	65
03.01 Food distribution program on indian reservations .....	1		
04.01 Pacific island assistance .....	1	1	1
05.01 Nutrition program for the elderly .....	145	141	140
06.01 Farmers' market nutrition program .....			15
10.00 Total obligations .....	332	283	317
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	19	1	
22.00 New budget authority (gross) .....	307	282	317
22.10 Resources available from recoveries of prior year obligations .....	7		
22.30 Unobligated balance expiring .....	-1		
23.90 Total budgetary resources available for obligation .....	332	283	317
23.95 New obligations .....	-332	-283	-317
24.40 Unobligated balance available, end of year:			
Uninvested .....	1		

<b>New budget authority (gross), detail:</b>				
40.00	Appropriation .....	307	282	317
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance:			
Uninvested .....		59	52	45
73.10	New obligations .....	332	283	317
73.20	Total outlays (gross) .....	-319	-290	-315
73.40	Adjustments in expired accounts .....	-12		
73.45	Adjustments in unexpired accounts .....	-7		
74.40	Unpaid obligations, end of year: Obligated balance:			
Uninvested .....		52	45	47

<b>Outlays (gross), detail:</b>				
86.90	Outlays from new current authority .....	259	238	270
86.93	Outlays from current balances .....	60	52	45
87.00	Total outlays (gross) .....	319	290	315

<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	307	282	317
90.00	Outlays .....	319	290	315

<b>Distribution of budget authority by account:</b>				
	Commodity assistance program .....	166	141	317
	Food donations programs for selected groups .....	141	141	

<b>Distribution of outlays by account:</b>				
	Commodity assistance program .....	178	147	315
	Food donations programs for selected groups .....	148	143	
	Commodity supplemental food program .....	-1		
	Temporary emergency food assistance program .....	-6		

The Commodity Assistance Programs include the Commodity Supplemental Food Program (CSFP), the Nutrition Program for the Elderly (NPE), the Emergency Food Assistance Program and Pacific Island Assistance.

The CSFP provides food packages for low income women, infants, and children as well as low income elderly persons. It also funds State administrative expenses. The NPE provides cash and commodities for per-meal reimbursement for elderly persons served in senior citizens' centers and similar settings.

The Emergency Food Assistance Program provides cash to support State administrative activities and maintain the storage and distribution pipeline for USDA and privately donated commodities. Funds are requested to support food gleaning and recovery.

Assistance is also provided to residents of the Nuclear Affected Islands and Palau and funds are made available for non-presidentially declared disasters.

Funds are provided for the Farmers' Market Nutrition Program (previously funded under the Special Supplemental Nutrition Program for Women, Infants and Children) for states' administrative expenses and vouchers redeemable by participants for fresh produce at farmers' markets.

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

Identification code 12-3507-0-1-605	1997 actual	1998 est.	1999 est.	
26.0	Supplies and materials (commodities) .....	130	82	82
41.0	Grants, subsidies, and contributions .....	202	201	235
99.9	Total obligations .....	332	283	317

**Personnel Summary**

Identification code 12-3507-0-1-605	1997 actual	1998 est.	1999 est.	
1001	Total compensable workyears: Full-time equivalent employment .....			5



**FOREST SERVICE**

*Federal Funds*

**General and special funds:**

NATIONAL FOREST SYSTEM

For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, [for forest planning, inventory, and monitoring,] and for administrative expenses associated with the management of funds provided under the headings "Forest and Rangeland Research", "State and Private Forestry", "National Forest System", "Wildland Fire Management", "Reconstruction and Construction", and "Land Acquisition", [**\$1,348,377,000**] *\$1,417,708,000*, to remain available until expended, which shall include 50 percent of all moneys received during prior fiscal years as fees collected under the Land and Water Conservation Fund Act of 1965, as amended, in accordance with section 4 of the Act (16 U.S.C. 4601-6a(i)): *Provided*, That [up to \$10,000,000 of] the funds provided herein for road maintenance shall be available for the planned obliteration of roads which are no longer needed: *Provided further*, That funds may be used to construct or reconstruct facilities of the Forest Service: *Provided further*, That no more than \$250,000 shall be used on any single project, exclusive of planning and design costs: *Provided further*, That any such project must be approved by the House and Senate Committees on Appropriations in compliance with the re-programming procedures contained in House Report 105-163: *Provided further*, That the Forest Service shall report annually to Congress the amount obligated for each project, and the total dollars obligated during the year]. (*Department of the Interior and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-1106-0-1-302	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year .....	67	68	4
Receipts:			
02.01 Fees, operation and maintenance of recreational facilities .....	7	4	3
04.00 Total: Balances and collections .....	74	72	7
Appropriation:			
05.01 National forest system .....	-6	-68	-4
07.99 Total balance, end of year .....	68	4	3

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

Identification code 12-1106-0-1-302	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
Direct program:			
00.01 National Forest System .....	1,312	1,351	1,429
00.04 Flood Supplemental .....	11	15	
00.05 Disaster Relief .....	6	34	
00.91 Total direct program .....	1,329	1,400	1,429
09.01 Reimbursable program .....	77	81	83
10.00 Total obligations .....	1,406	1,481	1,512
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	141	140	137
22.00 New budget authority (gross) .....	1,398	1,468	1,516
22.10 Resources available from recoveries of prior year obligations .....	9		
22.21 Unobligated balance transferred to other accounts .....	-3		
22.22 Unobligated balance transferred from other accounts .....	1	10	1
23.90 Total budgetary resources available for obligation .....	1,546	1,618	1,653
23.95 New obligations .....	-1,406	-1,481	-1,512
24.40 Unobligated balance available, end of year:			
Uninvested .....	140	137	141

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

Current:			
40.00 Appropriation .....	1,312	1,279	1,414
40.15 Appropriation (emergency) .....	3		
40.25 Appropriation (special fund, indefinite) .....	6	68	4
42.00 Transferred from other accounts .....		1	

43.00	Appropriation (total) .....	1,321	1,348	1,418
Permanent:				
62.00	Transferred from other accounts .....		39	15
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	77	81	83
70.00	Total new budget authority (gross) .....	1,398	1,468	1,516

**Change in unpaid obligations:**

72.40	Unpaid obligations, start of year: Obligated balance:			
	Uninvested .....	162	222	222
73.10	New obligations .....	1,406	1,481	1,512
73.20	Total outlays (gross) .....	-1,337	-1,481	-1,510
73.45	Adjustments in unexpired accounts .....	-9		
74.40	Unpaid obligations, end of year: Obligated balance:			
	Uninvested .....	222	222	224

**Outlays (gross), detail:**

86.90	Outlays from new current authority .....	1,098	1,178	1,218
86.93	Outlays from current balances .....	162	222	209
86.97	Outlays from new permanent authority .....	77	81	83
87.00	Total outlays (gross) .....	1,337	1,481	1,510

**Offsets:**

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources .....	-54	-71	-73
88.40	Non-Federal sources .....	-23	-10	-10
88.90	Total, offsetting collections (cash) .....	-77	-81	-83

**Net budget authority and outlays:**

89.00	Budget authority .....	1,321	1,387	1,433
90.00	Outlays .....	1,260	1,400	1,427

**Status of Contingent Emergency Funding** (in millions of dollars)

Identification code 12-1106-0-1-302	1997 actual	1998 est.	1999 est.	
0199	Balance of contingent emergency funding, start of year .....	3	3	3
0799	Balance of contingent emergency funding, end of year .....	3	3	3

The 156 National Forests, 20 National Grasslands, and nine land utilization projects located in 44 States, Puerto Rico and the Virgin Islands are managed under multiple-use and sustained-yield principles. The natural resources of timber, minerals, range, wildlife, outdoor recreation, watershed, and soil are used in a planned combination that will best meet the needs of the Nation without impairing productivity of the land or damaging the environment. These management and utilization principles are recognized in the Multiple-Use, Sustained-Yield Act of 1960 (16 U.S.C. 528-531) and use an ecological approach to managing the National Forest System.

National Forest System (NFS) operations and maintenance provide for the delivery of goods and services associated with the principal NFS programs of land management planning, inventory, and monitoring, recreation use, wildlife and fisheries habitat management, rangeland management, forestland management, soil, water, and air management, minerals and geology management, landownership management, infrastructure management, law enforcement, and general administration. These programs maintain the capability to manage natural resources in a manner consistent with ecological principles and responsibilities. The general administration activity also provides line management and support to programs financed by the Forest and Rangeland Research, State and Private Forestry, National Forest System, Wildland Fire Management, Reconstruction and Construction, and Land Acquisition appropriations.

**Performance Indicators**

	1997 actual	1998 est.	1999 est.
Area administered and protected (million acres) .....	192	192	192
Timber sales offered (billion board feet) .....	4.0	3.8	3.4

**General and special funds—Continued**  
**NATIONAL FOREST SYSTEM—Continued**

**Performance Indicators—Continued**

	1997 actual	1998 est.	1999 est.
Recreation: Seasonal capacity available (million people-at-one-time) .....	157	157	160
Soil and water resource improvements (thousand acres) .....	46	28	40
Road system maintained to standard (percentage) .....	38	38	45
Wildlife habitat restored or enhanced (hundred acres) .....	206	220	250
Anadromous fish streams habitat restored or enhanced (miles) .....	900	930	1,000
Terrestrial habitat restored or enhanced (thousand acres) .....	122	218	242
Rangeland improvements (thousand acres) .....	34	34	42

Funding for road and infrastructure maintenance, range restoration, watershed improvements, and the Interior Columbia Basin Initiative in this account is proposed as part of the Environmental Resources Fund for America. This proposal highlights the Administration's priority to provide deficit neutral funding for investments in many of our Nation's key environmental programs. A discussion of the Environmental Resources Fund for America and two other funds for research and transportation can be found in Section II of the *Budget* volume.

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

Identification code 12-1106-0-1-302	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	546	564	564
11.3 Other than full-time permanent .....	61	64	64
11.5 Other personnel compensation .....	18	19	19
11.9 Total personnel compensation .....	625	647	647
12.1 Civilian personnel benefits .....	147	153	152
13.0 Benefits for former personnel .....	8	8	8
21.0 Travel and transportation of persons .....	49	53	49
22.0 Transportation of things .....	10	11	11
23.1 Rental payments to GSA .....	18	18	18
23.2 Rental payments to others .....	23	25	23
23.3 Communications, utilities, and miscellaneous charges .....	45	48	45
24.0 Printing and reproduction .....	6	6	6
25.2 Other services .....	264	285	333
26.0 Supplies and materials .....	61	66	62
31.0 Equipment .....	63	68	64
32.0 Land and structures .....	2	3	3
41.0 Grants, subsidies, and contributions .....	2	2	2
42.0 Insurance claims and indemnities .....	4	5	4
99.0 Subtotal, direct obligations .....	1,327	1,398	1,427
99.0 Reimbursable obligations .....	77	81	83
<b>Allocation Account:</b>			
11.1 Personnel compensation: Full-time permanent .....	1	1	1
25.2 Other services .....	1	1	1
99.0 Subtotal, allocation account .....	2	2	2
99.9 Total obligations .....	1,406	1,481	1,512

**Personnel Summary**

Identification code 12-1106-0-1-302	1997 actual	1998 est.	1999 est.
<b>Direct:</b>			
1001 Total compensable workyears: Full-time equivalent employment .....	17,918	17,867	17,695
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent employment .....	508	535	546
<b>Allocation account:</b>			
3001 Total compensable workyears: Full-time equivalent employment .....	1,301	1,075	1,023

**RECONSTRUCTION AND CONSTRUCTION**

For necessary expenses of the Forest Service, not otherwise provided for, **[\$166,045,000]** \$160,914,000, to remain available until expended for construction, reconstruction and acquisition of buildings and other facilities, and for construction, reconstruction and repair

of forest roads and trails by the Forest Service as authorized by 16 U.S.C. 532-538 and 23 U.S.C. 101 and 205. (*Department of the Interior and Related Agencies Appropriations Act, 1998.*)

The following table shows the amounts appropriated by program/activity (in millions of dollars):

	1997 actual	1998 est.	1999 est.
Facilities Reconstruction/Construction .....	60	51	52
Trail Reconstruction/Construction .....	22	27	13
Forest Road System Rehabilitation .....	34	41	73
Timber Access Roads Oversight .....	59	47	23
Total Emergency .....	33		
Appropriation (contingency) .....	5		
Contingent emergency appropriation not available for obligations .....	-5		
Line item veto cancellation .....		-1	
Appropriation (total) .....	208	165	161

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

Identification code 12-1103-0-1-302	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
<b>Direct program:</b>			
00.01 Reconstruction and construction .....	161	128	153
00.03 Flood supplemental and other .....	25	35	27
00.91 Total construction .....	186	163	180
09.01 Reimbursable program .....	5	4	3
10.00 Total obligations .....	191	167	183

**Budgetary resources available for obligation:**

21.40 Unobligated balance available, start of year:			
Uninvested .....	114	142	144
22.00 New budget authority (gross) .....	218	169	164
22.10 Resources available from recoveries of prior year obligations .....	1		
23.90 Total budgetary resources available for obligation .....	333	311	308
23.95 New obligations .....	-191	-167	-183
24.40 Unobligated balance available, end of year:			
Uninvested .....	142	144	125

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

<b>Current:</b>			
40.00 Appropriation .....	208	166	161
40.15 Appropriation (emergency) .....	5		
40.60 Contingent emergency appropriation not available for obligations .....	-5		
40.79 Line item veto cancellation .....		-1	
43.00 Appropriation (total) .....	208	165	161
<b>Permanent:</b>			
60.65 Contingent emergency appropriation released .....	5		
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	5	4	3
70.00 Total new budget authority (gross) .....	218	169	164

**Change in unpaid obligations:**

72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	94	82	67
73.10 New obligations .....	191	167	183
73.20 Total outlays (gross) .....	-202	-182	-196
73.45 Adjustments in unexpired accounts .....	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	82	67	54

**Outlays (gross), detail:**

86.90 Outlays from new current authority .....	103	96	93
86.93 Outlays from current balances .....	94	82	100
86.97 Outlays from new permanent authority .....	5	4	3
87.00 Total outlays (gross) .....	202	182	196

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	-3	-2	-2
88.40 Non-Federal sources .....	-2	-2	-1
88.90 Total, offsetting collections (cash) .....	-5	-4	-3

**Net budget authority and outlays:**

89.00 Budget authority .....	213	165	161
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90.00	Outlays .....	196	178	193
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**Status of Contingent Emergency Funding** (in millions of dollars)

Identification code 12-1103-0-1-302	1997 actual	1998 est.	1999 est.	
0199	Balance of contingent emergency funding, start of year .....			
0300	New emergency funding not available for obligation .....	5		
0400	Releases of contingent emergency appropriations .....	-5		
0799	Balance of contingent emergency funding, end of year .....			

**Facilities.**—Provides for reconstruction, rehabilitation, upgrade, construction, and acquisition of facilities necessary to safely meet recreation demand while protecting environmental values and other resource uses of the National Forests; carry out National Forest and State and Private Forestry programs, including fire lookouts, offices, dwellings and barracks for employee housing, service, and storage buildings, tree nursery buildings, dams, and other forest resource management projects; manage Forest and Rangeland Research laboratories and related facilities, and for procurement and installation of necessary initial equipment needed to put the facility into operating condition.

**Roads and trails.**—Roads and trails are essential to the protection and management of the National Forest System, as well as providing access to National Forest System areas for recreation and utilization of their resources. Receipt credit for roads constructed and/or reconstructed by a timber purchaser will not be offered in 1999.

Funding for road, trail, and facility reconstruction and rehabilitation is proposed as part of the Environmental Resources Fund for America. This proposal highlights the Administration's priority to provide deficit neutral funding for investments in many of our Nation's key environmental programs. A discussion of the Environmental Resources Fund for America and two other funds for research and transportation can be found in Section II of the *Budget* volume.

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

Identification code 12-1103-0-1-302	1997 actual	1998 est.	1999 est.	
<b>Direct obligations:</b>				
<b>Personnel compensation:</b>				
11.1	Full-time permanent .....	54	46	44
11.3	Other than full-time permanent .....	5	4	3
11.5	Other personnel compensation .....	2	1	1
11.9	Total personnel compensation .....	61	51	48
12.1	Civilian personnel benefits .....	14	12	12
13.0	Benefits for former personnel .....	1	1	1
21.0	Travel and transportation of persons .....	3	2	3
22.0	Transportation of things .....	1	1	1
23.1	Rental payments to GSA .....	3	3	2
23.2	Rental payments to others .....	2	1	2
23.3	Communications, utilities, and miscellaneous charges .....	4	3	3
25.2	Other services .....	52	55	74
26.0	Supplies and materials .....	9	7	6
31.0	Equipment .....	5	4	2
32.0	Land and structures .....	26	20	23
41.0	Grants, subsidies, and contributions .....	4	3	3
99.0	Subtotal, direct obligations .....	185	163	180
99.0	Reimbursable obligations .....	5	4	3
25.2	Allocation Account: Other services .....	1		
99.9	Total obligations .....	191	167	183

**Personnel Summary**

Identification code 12-1103-0-1-302	1997 actual	1998 est.	1999 est.	
<b>Direct:</b>				
1001	Total compensable workyears: Full-time equivalent employment .....	1,614	1,355	1,233

<b>Reimbursable:</b>				
2001	Total compensable workyears: Full-time equivalent employment .....	21	17	17

**FOREST AND RANGELAND RESEARCH**

For necessary expenses of forest and rangeland research as authorized by law, **[\$187,944,000]** \$198,122,000, to remain available until expended.

**GIFTS, DONATIONS AND BEQUESTS FOR FOREST AND RANGELAND RESEARCH**

For expenses authorized by 16 U.S.C. 1643(b), \$92,000, to remain available until expended, to be derived from the fund established pursuant to the above Act. (*Department of the Interior and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-1104-0-1-302	1997 actual	1998 est.	1999 est.	
<b>Obligations by program activity:</b>				
00.06	Forest and Rangeland Research .....	179	185	206
09.01	Reimbursable program .....	11	12	12
10.00	Total obligations .....	190	197	218
<b>Budgetary resources available for obligation:</b>				
21.40	Unobligated balance available, start of year: Uninvested .....	14	17	20
22.00	New budget authority (gross) .....	192	200	210
22.22	Unobligated balance transferred from other accounts .....	1		
23.90	Total budgetary resources available for obligation .....	207	217	230
23.95	New obligations .....	-190	-197	-218
24.40	Unobligated balance available, end of year: Uninvested .....	17	20	12
<b>New budget authority (gross), detail:</b>				
<b>Current:</b>				
40.00	Appropriation .....	180	188	198
42.00	Transferred from other accounts .....	1		
43.00	Appropriation (total) .....	181	188	198
<b>Permanent:</b>				
68.00	Spending authority from offsetting collections: Offsetting collections (cash) .....	11	12	12
70.00	Total new budget authority (gross) .....	192	200	210
<b>Change in unpaid obligations:</b>				
72.40	Unpaid obligations, start of year: Obligated balance: Uninvested .....	58	58	74
73.10	New obligations .....	190	197	218
73.20	Total outlays (gross) .....	-189	-181	-208
74.40	Unpaid obligations, end of year: Obligated balance: Uninvested .....	58	74	84
<b>Outlays (gross), detail:</b>				
86.90	Outlays from new current authority .....	120	152	160
86.93	Outlays from current balances .....	58	17	36
86.97	Outlays from new permanent authority .....	11	12	12
87.00	Total outlays (gross) .....	189	181	208
<b>Offsets:</b>				
<b>Against gross budget authority and outlays:</b>				
<b>Offsetting collections (cash) from:</b>				
88.00	Federal sources .....	-10	-10	-10
88.40	Non-Federal sources .....	-1	-2	-2
88.90	Total, offsetting collections (cash) .....	-11	-12	-12
<b>Net budget authority and outlays:</b>				
89.00	Budget authority .....	181	188	198
90.00	Outlays .....	178	169	196

The mission of Forest and Rangeland Research is to serve society by developing and communicating the scientific information and technology needed to protect, manage, use, and sustain the natural resources of the Nation's forests and rangelands. This information is essential for formulating policy

**General and special funds—Continued**

**GIFTS, DONATIONS AND BEQUESTS FOR FOREST AND RANGELAND RESEARCH—Continued**

icy and wisely managing and conserving both public and private forests and rangelands. Research is the key to sustaining our forest and rangeland productivity and health while providing a quality environment. Forest and Rangeland Research is conducted and disseminated through seven Forest and Range Experiment Station headquarters and their laboratories, the Forest Products Laboratory, and the International Institute of Tropical Forestry.

Funding for Forest and Rangeland Research is proposed as part of the Research Fund for America. This proposal highlights the Administration's priority to providing needed and sustained investments in important Federal research programs on a deficit neutral basis. A discussion of the Research fund for America, and two other funds for the environment and transportation, can be found in Section II of the *Budget* volume.

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

Identification code 12-1104-0-1-302	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	89	89	93
11.3 Other than full-time permanent .....	8	8	9
11.5 Other personnel compensation .....	1	1	1
11.9 Total personnel compensation .....	98	98	103
12.1 Civilian personnel benefits .....	21	21	22
13.0 Benefits for former personnel .....	1	1	1
21.0 Travel and transportation of persons .....	7	8	9
22.0 Transportation of things .....	1	1	1
23.1 Rental payments to GSA .....	2	2	2
23.3 Communications, utilities, and miscellaneous charges .....	6	7	7
24.0 Printing and reproduction .....	1	1	1
25.5 Research and development contracts .....	24	25	38
26.0 Supplies and materials .....	6	7	8
31.0 Equipment .....	9	10	10
41.0 Grants, subsidies, and contributions .....	3	4	4
99.0 Subtotal, direct obligations .....	179	185	206
99.0 Reimbursable obligations .....	11	12	12
99.9 Total obligations .....	190	197	218

**Personnel Summary**

Identification code 12-1104-0-1-302	1997 actual	1998 est.	1999 est.
<b>Direct:</b>			
1001 Total compensable workyears: Full-time equivalent employment .....	2,295	2,295	2,416
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent employment .....	84	84	84

**STATE AND PRIVATE FORESTRY**

For necessary expenses of cooperating with and providing technical and financial assistance to States, territories, possessions, and others, and for forest health management, cooperative forestry, and education and land conservation activities, [\$161,237,000] \$162,900,000, to remain available until expended, as authorized by law: *Provided*, That of funds available under this heading for Pacific Northwest Assistance in this or prior appropriations Acts, \$800,000 shall be provided to the World Forestry Center for purposes of continuing scientific research and other authorized efforts regarding the land exchange efforts in the Umpqua River Basin region: *Provided further*, That activities conducted pursuant to funds provided herein for the Alaska Spruce Bark Beetle task force shall be exempt from the requirements of the Federal Advisory Committee Act]. (*Department of the Interior and Related Agencies Appropriations Act, 1998.*)

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

Identification code 12-1105-0-1-302	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
<b>Direct program:</b>			
00.05 Forest health management .....	64	66	69
00.06 Cooperative forestry .....	90	97	101
00.07 Emergency pest suppression .....	4		
00.91 Total direct program .....	158	163	170
09.01 Reimbursable program .....	1	1	1
10.00 Total obligations .....	159	164	171
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	22	21	21
22.00 New budget authority (gross) .....	156	162	164
22.10 Resources available from recoveries of prior year obligations .....	2		
23.90 Total budgetary resources available for obligation	180	183	185
23.95 New obligations .....	-159	-164	-171
24.40 Unobligated balance available, end of year:			
Uninvested .....	21	21	14
<b>New budget authority (gross), detail:</b>			
<b>Current:</b>			
40.00 Appropriation .....	156	161	163
41.00 Transferred to other accounts .....	-1		
43.00 Appropriation (total) .....	155	161	163
<b>Permanent:</b>			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	1	1	1
70.00 Total new budget authority (gross) .....	156	162	164
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	141	142	146
73.10 New obligations .....	159	164	171
73.20 Total outlays (gross) .....	-157	-160	-163
73.45 Adjustments in unexpired accounts .....	-2		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	142	146	154
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....	121	121	122
86.93 Outlays from current balances .....	35	38	41
86.97 Outlays from new permanent authority .....	1	1	1
87.00 Total outlays (gross) .....	157	160	163
<b>Offsets:</b>			
<b>Against gross budget authority and outlays:</b>			
88.00 Offsetting collections (cash) from: Federal sources	-1	-1	-1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	155	161	163
90.00 Outlays .....	156	159	162
<b>Distribution of budget authority by account:</b>			
State and private forestry .....	155	161	163
<b>Distribution of outlays by account:</b>			
State and private forestry .....	147	154	162
Emergency pest suppression fund .....	10	5	

State and Private Forestry programs provide assistance to manage, use, and protect forest resources on State, urban, and private lands to meet domestic and international demands for goods and services. Assistance is provided to a wide range of customers including all States, Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands and the Trust Territory of the Pacific.

*Forest health management.*—Includes Federal lands, and cooperative lands.

*Cooperative Fire Protection.*—Includes funding to enhance the capacity of States to provide coordinated fire suppression response and to promote safe and effective initial fire attack

in wildland/urban interface areas by volunteer fire departments. In previous years, funding for these two components was included under the Forest Service Forest Health Management program and the Agriculture Rural Community Fire Protection program, respectively.

**Cooperative Forestry.**—Includes forest stewardship, the stewardship incentives program, the forest legacy program, urban and community forestry, economic action programs, and Pacific Northwest community assistance programs. Forest stewardship includes: forest resource management; and seedlings, nursery, and tree improvement programs. Economic action programs include economic recovery, rural development, and forest products conservation and recycling programs.

Funding for Forest Stewardship and the Stewardship Incentive Program in this account is proposed as part of the Environmental Resources Fund for America. This proposal highlights the Administration's priority to provide deficit neutral funding for investments in many of our Nation's key environmental programs. A discussion of the Environmental Resources Fund for America and two other funds for research and transportation can be found in Section 11 of the *Budget* volume.

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

Identification code 12-1105-0-1-302	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
Personnel compensation:			
11.1 Full-time permanent .....	29	29	28
11.3 Other than full-time permanent .....	2	2	2
11.9 Total personnel compensation .....	31	31	30
12.1 Civilian personnel benefits .....	5	6	6
21.0 Travel and transportation of persons .....	5	5	5
23.1 Rental payments to GSA .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	1	1	1
25.2 Other services .....	18	19	24
26.0 Supplies and materials .....	2	2	2
31.0 Equipment .....	2	2	2
32.0 Land and structures .....	3	4	4
41.0 Grants, subsidies, and contributions .....	89	92	95
99.0 Subtotal, direct obligations .....	157	163	170
99.0 Reimbursable obligations .....	1	1	1
25.2 Allocation Account: Other services .....	1		
99.9 Total obligations .....	159	164	171

**Personnel Summary**

Identification code 12-1105-0-1-302	1997 actual	1998 est.	1999 est.
<b>Direct:</b>			
1001 Total compensable workyears: Full-time equivalent employment .....	698	699	662
<b>Reimbursable:</b>			
2001 Total compensable workyears: Full-time equivalent employment .....	5	5	5

**WILDLAND FIRE MANAGEMENT**

For necessary expenses for forest fire presuppression activities on National Forest System lands, for emergency fire suppression on or adjacent to such lands or other lands under fire protection agreement, and for emergency rehabilitation of burned-over National Forest System lands, **[\$584,707,000]** \$554,437,000, to remain available until expended: *Provided*, That such funds are available for repayment of advances from other appropriations accounts previously transferred for such purposes.

*For an additional amount to cover necessary expenses for emergency rehabilitation, presuppression due to emergencies, and wildfire suppression activities of the Forest Service, \$102,000,000, to remain available until expended: Provided, That the entire amount is designated by Congress as an emergency requirement pursuant to section 252(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided further, That these funds shall*

*be available only to the extent an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress. (Department of the Interior and Related Agencies Appropriations Act, 1998.)*

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

Identification code 12-1115-0-1-302	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Fire management .....	623	614	587
09.01 Reimbursable program .....	34	23	22
10.00 Total obligations .....	657	637	609
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	-79	128	99
22.00 New budget authority (gross) .....	864	608	576
23.90 Total budgetary resources available for obligation .....	785	736	675
23.95 New obligations .....	-657	-637	-609
24.40 Unobligated balance available, end of year:			
Uninvested .....	128	99	66

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

<b>Current:</b>			
40.00 Appropriation .....	830	585	554
40.15 Appropriation (emergency) .....			102
40.60 Contingent emergency appropriation not available for obligations .....			-102
43.00 Appropriation (total) .....	830	585	554
<b>Permanent:</b>			
68.00 Spending authority from offsetting collections: Offsetting collections (cash) .....	34	23	22
70.00 Total new budget authority (gross) .....	864	608	576

**Change in unpaid obligations:**

72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	211	99	34
73.10 New obligations .....	657	637	609
73.20 Total outlays (gross) .....	-768	-702	-557
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	99	34	86

**Outlays (gross), detail:**

86.90 Outlays from new current authority .....	602	580	443
86.93 Outlays from current balances .....	132	99	92
86.97 Outlays from new permanent authority .....	34	23	22
87.00 Total outlays (gross) .....	768	702	557

**Offsets:**

<b>Against gross budget authority and outlays:</b>			
<b>Offsetting collections (cash) from:</b>			
88.00 Federal sources .....	-30	-20	-19
88.40 Non-Federal sources .....	-4	-3	-3
88.90 Total, offsetting collections (cash) .....	-34	-23	-22

**Net budget authority and outlays:**

89.00 Budget authority .....	830	585	554
90.00 Outlays .....	734	679	535

**Distribution of budget authority by account:**

Wildland fire management .....	830	585	554
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**Distribution of outlays by account:**

Wildland fire management .....	1,196	679	535
Forest Service fire protection .....	-259		
Emergency Forest Service firefighting fund .....	-203		

**Status of Contingent Emergency Funding** (in millions of dollars)

Identification code 12-1115-0-1-302	1997 actual	1998 est.	1999 est.
0199 Balance of contingent emergency funding, start of year .....		250	250
0300 New emergency funding not available for obligation .....	250		102

**General and special funds—Continued**

**WILDLAND FIRE MANAGEMENT—Continued**

**Status of Contingent Emergency Funding (in millions of dollars)—Continued**

Identification code 12-1115-0-1-302	1997 actual	1998 est.	1999 est.
0799 Balance of contingent emergency funding, end of year .....	250	250	362

*Wildland fire management.*—This appropriation provides funding for Forest Service fire management, suppression, and suppression on National Forest System lands, adjacent State and private lands, and other lands under fire protection agreement.

*Preparedness.*—To protect National Forest System (NFS) lands from damage by wildfires commensurate with the threat to life, values at risk, public values, and management objectives.

Preparedness provides the basic fire organization and capability to prevent forest fires and to take prompt, effective initial attack suppression operations action on wildfires. This funding covers expenses associated with planning, prevention, detection, information and education; pre-incident training; equipment and supply purchase and replacement; and other preparedness activities including the base salary and travel of the regular Forest Service firefighting organization. Through this program the Forest Service also assists other Federal agencies and States with training programs, planning assistance, sharing joint equipment use contracts and inter-agency fire coordination centers.

*Fire Operations.*—To efficiently suppress wildland fires on or threatening National Forest System (NFS) lands or other lands under fire protection agreement. Fire Operations provides funds for all hazardous fuel reduction program activities including planning and implementing, mechanical treatments, prescribed fire, and monitoring of fuel treatment accomplishments. Fuel treatment activities are performed to minimize the potential for large, destructive wildfires.

Fire Operations funds are used to immediately and efficiently rehabilitate severely burned NFS lands to prevent further destruction of natural resources, including soil loss and flooding. Funds are used to increase the level of fire preparedness when predicted or actual burning conditions exceed normal levels.

*Contingency Funds.*—This budget includes \$102 million in contingent funding for 1999 to be utilized for emergency wildland fire activities, if needed, beyond the amount requested in this budget. In addition, \$250 million in emergency contingency funds for firefighting operations remains from 1997 appropriations.

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

Identification code 12-1115-0-1-302	1997 actual	1998 est.	1999 est.
<b>Direct obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	97	115	115
11.3 Other than full-time permanent .....	22	25	25
11.5 Other personnel compensation .....	33	39	39
11.9 Total personnel compensation .....	152	179	179
12.1 Civilian personnel benefits .....	37	43	43
13.0 Benefits for former personnel .....	7	8	8
21.0 Travel and transportation of persons .....	18	12	11
22.0 Transportation of things .....	3	2	2
23.1 Rental payments to GSA .....	2	2	2
23.2 Rental payments to others .....	5	3	3
23.3 Communications, utilities, and miscellaneous charges .....	12	8	7
24.0 Printing and reproduction .....	2	1	1
25.2 Other services .....	331	319	298
26.0 Supplies and materials .....	34	23	20
31.0 Equipment .....	15	10	9
32.0 Land and structures .....	1	1	1
41.0 Grants, subsidies, and contributions .....	3	2	2

42.0 Insurance claims and indemnities .....	1	1	1
99.0 Subtotal, direct obligations .....	623	614	587
99.0 Reimbursable obligations .....	34	23	22
99.9 Total obligations .....	657	637	609

**Personnel Summary**

Identification code 12-1115-0-1-302	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	5,410	6,375	6,311

**PAYMENTS TO STATES—NORTHERN SPOTTED OWL GUARANTEE**

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

Identification code 12-1117-0-1-806	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations (object class 41.0) .....	135	130	125
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....	135	130	125
23.95 New obligations .....	-135	-130	-125
<b>New budget authority (gross), detail:</b>			
60.05 Appropriation (indefinite) .....	135	130	125
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....	135	130	125
73.20 Total outlays (gross) .....	-135	-130	-125
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....	135	130	125
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....	135	130	125
90.00 Outlays .....	135	130	125

**Summary of Budget Authority and Outlays**

(in millions of dollars)

Enacted/requested:	1997 actual	1998 est.	1999 est.
Budget Authority .....	135	130	125
Outlays .....	135	130	125
<b>Legislative proposal, subject to PAYGO:</b>			
Budget Authority .....			145
Outlays .....			145
<b>Total:</b>			
Budget Authority .....	135	130	270
Outlays .....	135	130	270

*Payments to States, Northern Spotted Owl Guarantee.*—For payment to the States of Oregon, Washington, and California for the benefit of counties in which National Forests are situated and that are affected by decisions related to the northern spotted owl, pursuant to section 13982 of Public Law 103-66 as amended by Public Law 103-443. Proposed legislation, to be transmitted later, would stabilize funding levels through payments to States nationwide, beginning in 1999, to provide predictable stable payments for county roads and schools.

**PAYMENTS TO STATES-NORTHERN SPOTTED OWL GUARANTEE**

**(Legislative proposal, subject to PAYGO)**

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

Identification code 12-1117-4-1-806	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations (object class 41.0) .....			145
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			145

23.95	New obligations .....	-145
<b>New budget authority (gross), detail:</b>		
60.05	Appropriation (indefinite) .....	145
<b>Change in unpaid obligations:</b>		
73.10	New obligations .....	145
73.20	Total outlays (gross) .....	-145
<b>Outlays (gross), detail:</b>		
86.97	Outlays from new permanent authority .....	145
<b>Net budget authority and outlays:</b>		
89.00	Budget authority .....	145
90.00	Outlays .....	145

This proposal would extend the guaranteed county payments, enacted with implementation of the President's Northwest Forest Plan, to all counties nationwide that currently receive receipt sharing payments from national forests. The proposal would extend the owl-county guaranteed payments past the 2003 expiration date, and would stabilize the current declining formula. In addition, the same level of payment guarantee would be extended to all qualifying counties.

SOUTHEAST ALASKA ECONOMIC DISASTER FUND

Program and Financing (in millions of dollars)

Identification code 12-1108-0-1-451	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00	Total obligations (object class 41.0) .....	20	13
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance available, start of year:		
	Uninvested .....	60	40
23.95	New obligations .....	-20	-13
24.40	Unobligated balance available, end of year:		
	Uninvested .....	40	27
<b>Change in unpaid obligations:</b>			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Uninvested .....	27	
73.10	New obligations .....	20	13
73.20	Total outlays (gross) .....	-47	-13
<b>Outlays (gross), detail:</b>			
86.93	Outlays from current balances .....	47	13
87.00	Total outlays (gross) .....	47	13
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....		
90.00	Outlays .....	47	13

Public Law 104-134 established this appropriation to provide assistance to employ former timber workers in Wrangell and Sitka and for related community development projects in Sitka, Wrangell, and Ketchikan. There is \$10 million scheduled for this in 1999. In addition, a sum of \$10 million will be allocated to selected organized and unorganized boroughs in Southeast Alaska. Distribution to the unorganized boroughs is based on the proportion of 1995 timber receipts from each borough.

RANGE BETTERMENT FUND

For necessary expenses of range rehabilitation, protection, and improvement, 50 percent of all moneys received during the prior fiscal year, as fees for grazing domestic livestock on lands in National Forests in the sixteen Western States, pursuant to section 401(b)(1) of Public Law 94-579, as amended, to remain available until expended, of which not to exceed 6 percent shall be available for administrative expenses associated with on-the-ground range rehabilitation, protection, and improvements. (*Department of the Interior and Related Agencies Appropriations Act, 1998.*)

Unavailable Collections (in millions of dollars)

Identification code 12-5207-0-2-302	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99	Balance, start of year .....	2	1
Receipts:			
02.01	Cooperative range improvements .....	3	3
04.00	Total: Balances and collections .....	5	4
Appropriation:			
05.01	Range betterment fund .....	-3	-3
07.99	Total balance, end of year .....	2	1

Program and Financing (in millions of dollars)

Identification code 12-5207-0-2-302	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00	Total obligations .....	3	4
<b>Budgetary resources available for obligation:</b>			
21.40	Unobligated balance available, start of year:		
	Uninvested .....	1	1
22.00	New budget authority (gross) .....	3	4
23.90	Total budgetary resources available for obligation	4	5
23.95	New obligations .....	-3	-4
24.40	Unobligated balance available, end of year:		
	Uninvested .....	1	1
<b>New budget authority (gross), detail:</b>			
40.25	Appropriation (special fund, indefinite) .....	3	4
<b>Change in unpaid obligations:</b>			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Uninvested .....	1	1
73.10	New obligations .....	3	4
73.20	Total outlays (gross) .....	-4	-4
74.40	Unpaid obligations, end of year: Obligated balance:		
	Uninvested .....	1	1
<b>Outlays (gross), detail:</b>			
86.90	Outlays from new current authority .....	3	4
86.93	Outlays from current balances .....	1	
87.00	Total outlays (gross) .....	4	4
<b>Net budget authority and outlays:</b>			
89.00	Budget authority .....	3	4
90.00	Outlays .....	4	4

Fifty percent of the grazing fees from the National Forests in the 16 western States, once appropriated, are used to protect and improve the productivity of the range, mainly by revegetation, construction, and maintenance of improvements. Capital improvement funding is currently being collected under the authority of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1751), as amended.

Object Classification (in millions of dollars)

Identification code 12-5207-0-2-302	1997 actual	1998 est.	1999 est.
11.1	Personnel compensation: Full-time permanent .....	1	1
25.2	Other services .....	1	2
26.0	Supplies and materials .....	1	1
99.9	Total obligations .....	3	4

Personnel Summary

Identification code 12-5207-0-2-302	1997 actual	1998 est.	1999 est.
1001	Total compensable workyears: Full-time equivalent employment .....	41	39

**General and special funds—Continued**

*LAND ACQUISITION ACCOUNTS*

**[LAND ACQUISITION]**

[For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-4 through 11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the Forest Service, \$52,976,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.]

**[ACQUISITION OF LANDS FOR NATIONAL FORESTS SPECIAL ACTS]**

[For acquisition of lands within the exterior boundaries of the Cache, Uinta, and Wasatch National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, Sequoia, and Cleveland National Forests, California, as authorized by law, \$1,069,000, to be derived from forest receipts.]

**[ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES]**

[For acquisition of lands, such sums, to be derived from funds deposited by State, county, or municipal governments, public school districts, or other public school authorities pursuant to the Act of December 4, 1967, as amended (16 U.S.C. 484a), to remain available until expended.]

*For acquisition of lands, waters, or interests therein, as authorized by law, \$57,336,000, to remain available until expended, to be derived as follows: from the Land and Water Conservation Fund, as amended (16 U.S.C. 4601, 4-11, 516-67a, and 555a), \$56,057,000; from forest receipts (54 Stat. 402 and 58 Stat. 227-229), \$1,069,000; and from funds deposited by State, county, or municipal governments, public school districts, or other public school authorities pursuant to the Act of December 4, 1967 (16 U.S.C. 484a), \$210,000. (16 U.S.C. 4601-4-11, 4601-516-617a, 555a; P.L. 96-586; P.L. 76-589, 76-591; 78-310, and 16 U.S.C. 484a; Department of the Interior and Related Agencies Appropriations Act, 1998.)*

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

Identification code 12-9923-0-2-300	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year .....	1	1	1
Receipts:			
02.01 National forest lands under special acts .....	1	1	1
04.00 Total: Balances and collections .....	2	2	2
Appropriation:			
05.01 Land acquisition accounts .....	-1	-1	-1
07.99 Total balance, end of year .....	1	1	1

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

Identification code 12-9923-0-2-300	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations .....	37	190	64
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	13	19	50
22.00 New budget authority (gross) .....	42	221	57
23.90 Total budgetary resources available for obligation .....	55	240	107
23.95 New obligations .....	-37	-190	-64
24.40 Unobligated balance available, end of year:			
Uninvested .....	19	50	43
<b>New budget authority (gross), detail:</b>			
Appropriation (special fund, definite):			
40.20 Appropriation (LWCF) .....	41	220	56
40.20 Appropriation (Special Act) .....	1	1	1
43.00 Appropriation (total) .....	42	221	57
70.00 Total new budget authority (gross) .....	42	221	57

**Change in unpaid obligations:**

72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	15	10	44
73.10 New obligations .....	37	190	64
73.20 Total outlays (gross) .....	-42	-156	-113

74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	10	44	-5

**Outlays (gross), detail:**

86.90 Outlays from new current authority .....	27	146	38
86.93 Outlays from current balances .....	15	10	75
87.00 Total outlays (gross) .....	42	156	113

**Net budget authority and outlays:**

89.00 Budget authority .....	42	221	57
90.00 Outlays .....	42	156	113

**Distribution of budget authority by account:**

Land acquisition accounts .....			57
Land Acquisition .....	41	220	
Acquisition of Lands for National Forest, Special Acts .....	1	1	
Acquisition of Lands To Complete Land Exchanges .....	1		

**Distribution of outlays by account:**

Land acquisition accounts .....			38
Land Acquisition .....	41	155	75
Acquisition of Lands for National Forest, Special Acts .....	1	1	
Acquisition of Lands To Complete Land Exchanges .....			

This appropriation consolidates three land acquisition authorities for acquisition of lands, waters, or interest therein, as authorized by law.

*Land and water conservation fund.*—Recreation lands and interests are acquired within areas of the National Forest System, wilderness, wildlife and fisheries habitat management areas, and endangered species and other areas for public outdoor recreation purposes.

*Acquisition of lands for national forests (Special Acts).*—On the basis of various public laws and agreements with certain counties in Utah, Nevada, and California, National Forest receipts, including portions which would normally be paid to the State to benefit county roads and schools, are used by the Federal Government for purchase of privately owned lands within National Forest boundaries to aid in the control of soil erosion and flood damage.

*Acquisition of lands to complete land exchanges.*—Deposits made by State, county, or municipal governments, public school districts, or other public school authorities for cash equalization of certain land exchanges are used, as appropriated, to acquire similar lands suitable for National Forest System purposes in the same State as the National Forest lands conveyed in the land exchange.

Funding for land acquisition from the Land and Water Conservation Fund is proposed as part of the Environmental Resources Fund for America. This proposal highlights the Administration's priority to provide deficit neutral funding for investments in many of our Nation's key environmental programs. A discussion of the Environmental Resources Fund for America and two other funds for research and transportation can be found in Section II of the *Budget* volume.

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

Identification code 12-9923-0-2-300	1997 actual	1998 est.	1999 est.
11.1 Personnel compensation: Full-time permanent .....	5	5	5
12.1 Civilian personnel benefits .....	1	1	1
25.2 Other services .....	1	9	9
32.0 Land and structures .....	30	175	49
99.9 Total obligations .....	37	190	64

**Personnel Summary**

Identification code 12-9923-0-2-300	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	110	103	104



FOREST SERVICE PERMANENT APPROPRIATIONS

[MIDWIN NATIONAL TALLGRASS PRAIRIE RESTORATION FUND]

[All funds collected for admission, occupancy, and use of the Midewin National Tallgrass Prairie, and the salvage value proceeds from sale of any facilities and improvements pursuant to sections 2915(d) and (e) of Public Law 104-106, are hereby appropriated and made available until expended for the necessary expenses of restoring and administering the Midewin National Tallgrass Prairie in accordance with section 2915(f) of the Act.] (Department of the Interior and Related Agencies Appropriations Act, 1998.)

Unavailable Collections (in millions of dollars)

Identification code 12-9921-0-2-999	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year	294	285	235
Receipts:			
02.01 National forests fund, Agriculture	-46		
02.02 Payments to states	121	103	135
02.03 Payments to states, legislative proposal subject to PAYGO			-135
02.04 Timber roads, purchaser elections	6	6	6
02.05 Road and trails for States, National Forest Fund	25	25	28
02.06 Timber salvage sales	177	171	159
02.07 Deposits, brush disposal	19	24	26
02.08 Recreational fee demonstration program		16	20
02.09 Rents and charges for quarters	7	7	8
02.10 National Grasslands	13	14	14
02.11 Miscellaneous special funds, Forest Service	2	2	2
02.12 National forests fund, Interior	11	10	10
02.99 Total receipts	335	378	273
04.00 Total: Balances and collections	629	663	508
Appropriation:			
05.01 Forest Service permanent appropriations	-344	-428	-388
05.02 Forest Service permanent appropriations, legislative proposal			135
05.99 Subtotal appropriation	-344	-428	-253
07.99 Total balance, end of year	285	235	255

Program and Financing (in millions of dollars)

Identification code 12-9921-0-2-999	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Payments to States, National forest fund	119	103	135
00.02 Payment to Minnesota	1	1	1
00.03 Payments to counties, National Grasslands	5	6	6
00.04 Recreation fee collection costs	1	2	1
00.05 Recreation demonstration pilot project	4	18	20
00.06 Timber purchaser roads constructed by Forest Service	7	6	6
00.07 Timber salvage sales	174	151	141
00.08 Roads and trails for States		50	28
00.09 Expenses, brush disposal	21	23	25
00.10 Restoration of forest lands and improvements	32	3	1
00.11 Operation and maintenance of quarters	7	7	8
00.12 Miscellaneous special funds	1	1	1
00.13 Pipeline Restoration Fund			6
10.00 Total obligations	372	371	379
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	259	265	322
22.00 New budget authority (gross)	368	428	388
22.22 Unobligated balance transferred from other accounts	10		
23.90 Total budgetary resources available for obligation	637	693	710
23.95 New obligations	-372	-371	-379
24.40 Unobligated balance available, end of year:			
Uninvested	265	322	331
New budget authority (gross), detail:			
60.25 Appropriation (special fund, indefinite)	344	428	388
62.00 Transferred from other accounts	24		
63.00 Appropriation (total)	368	428	388
70.00 Total new budget authority (gross)	368	428	388
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	38	38	39

73.10 New obligations	372	371	379
73.20 Total outlays (gross)	-372	-370	-384
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	38	39	34

Outlays (gross), detail:

86.97 Outlays from new permanent authority	334	332	346
86.98 Outlays from permanent balances	38	38	38
87.00 Total outlays (gross)	372	370	384

Net budget authority and outlays:

89.00 Budget authority	368	428	388
90.00 Outlays	372	370	384

Distribution of budget authority by account:

Payments to States, National Forest Fund	119	103	135
Payment to Minnesota		1	1
Payments to counties, National Grasslands	5	6	6
Recreation fee collection costs	1	1	1
Recreation fee demonstration program		18	20
Timber purchaser roads constructed by Forest Service	6	6	6
Roads and Trails for States	25	50	28
Timber salvage sales	177	201	156
Expenses, brush disposal	19	32	26
Restoration of Forestlands and Improvements	35	3	1
Operation and Maintenance of Quarters	7	7	8

Distribution of outlays by account:

Payments to States, National Forest Fund	119	103	135
Payment to Minnesota		1	1
Payments to counties, National Grasslands	5	6	6
Recreation fee collection costs	1	1	1
Recreation fee demonstration program	-4	18	20
Timber purchaser roads constructed by Forest Service	6	5	5
Roads and Trails for States		50	28
Timber salvage sales	180	153	152
Expenses, brush disposal	22	23	25
Restoration of Forestlands and Improvements	33	3	3
Operation and Maintenance of Quarters	7	7	8

Summary of Budget Authority and Outlays

(in millions of dollars)

	1997 actual	1998 est.	1999 est.
Enacted/requested:			
Budget Authority	368	428	388
Outlays	372	370	384
Legislative proposal, subject to PAYGO:			
Budget Authority			-135
Outlays			-135
Total:			
Budget Authority	368	428	253
Outlays	372	370	249

**Operation and maintenance of quarters.**—Quarters rental deductions are collected from employees occupying Forest Service facilities. Amounts are deposited into a special fund and are available for the maintenance and operation of employee-occupied quarters. (5 U.S.C. 5911)

**Resource management, timber receipts.**—Funds in this special account are available for trail maintenance, reconstruction, and construction; wildlife and fisheries habitat management; soil, water, and air management; cultural/heritage resource management; wilderness management; reforestation; and timber sale administration and management.

**Recreation fee demonstration program.**—Pursuant to Sec. 315 of Title III—General Provisions, Omnibus Consolidated Rescissions and Appropriations Act of 1996, Public Law 104-134 of April 26, 1996 as amended, amounts collected at fee demonstration areas, sites, or projects are available for maintenance and development of recreation facilities. A legislative proposal to authorize collection and use of all recreation receipts in fiscal year 2000 and after is included.

**Midewin National Tallgrass Prairie rental fees.**—Monies received under a special use authorization (issued under subsection (b) of Public Law 104-106, Title XXIX, Subtitle A, Section 2915, after distribution to the State of Illinois and affected counties pursuant to the Act of May 23, 1908) are available to cover the cost to the United States of prairie improvement work at the Midewin National Tallgrass Prairie.

**General and special funds—Continued**

FOREST SERVICE PERMANENT APPROPRIATIONS—Continued  
[MIDWIN NATIONAL TALLGRASS PRAIRIE RESTORATION FUND]—  
Continued

*Midwin National Tallgrass Prairie Restoration Fund.*—Monies received from user fees and the salvage value proceeds from sale of any facilities and improvements pursuant to Section 2915(d) and (e) of Public Law 104–106, as amended by Public Law 105–83, are available to cover the costs of restoration and administrative activities.

*Receipts for construction of administrative improvements, Taos, New Mexico land conveyance, Forest Service.*—Funds collected from the sale of land, when appropriated, are available to construct administrative facilities at Taos, New Mexico. (Sec. 1(b)(1), Public Law 103–132)

*Payment to Minnesota.*—At the close of each fiscal year, the State of Minnesota is paid 0.75 percent of the appraised value of certain Superior National Forest lands in the counties of Cook Lake and St. Louis for distribution to these counties (16 U.S.C. 577g).

*Payments to counties, National Grasslands.*—Of the revenues received in a calendar year from the use of National Grasslands, 25 percent is paid to the counties in which such land is situated for funding local schools and roads (7 U.S.C. 1012).

*Payments to States, National Forests Fund.*—With minor exceptions, 25 percent of the money received from the National Forests, including all the collections under 16 U.S.C. 576b, and all amounts allowed any timber purchaser for construction of roads, is paid at the end of each fiscal year to the States for funding local schools and roads of the county in which such forests are situated (16 U.S.C. 500 and 97 Stat. 1123). Proposed legislation, to be transmitted later, would stabilize funding levels through payments to States, beginning in 1999, to provide predictable “in lieu of tax” payment for county roads and schools. New funding for this legislative proposal is proposed in the Payments to States—Northern Spotted Owl Guarantee account.

*Expenses, brush disposal.*—Funds from payments by purchasers of National Forest timber to dispose of or treat slash and other debris that result from cutting operations (16 U.S.C. 490).

*Licensee programs, Forest Service.*—Funds from fees for the use of characters by private enterprises are collected under regulations promulgated by the Secretary as follows:

*Smokey Bear.*—For furthering the nationwide forest fire prevention campaign (16 U.S.C. 580(2)).

*Woodsy Owl.*—For promoting wise use of the environment and programs which foster maintenance and improvement of environmental quality (16 U.S.C. 580(1)).

*Restoration of northern forestlands and improvements.*—Funds from claim settlements involving damage to lands or improvements and from forfeiture of deposits and bonds by permittees and timber purchasers are used for the restoration made necessary by the action which led to the settlement of forfeiture (16 U.S.C. 579c).

*Timber purchaser roads constructed by Forest Service.*—Funds from timber receipts for Government constructed permanent roads for purchasers of timber who qualify as small businesses and elect to have the Forest Service construct the roads designated under the timber sale contract where costs exceed \$20,000 (16 U.S.C. 472a(i)). This program is proposed for continuation in the Administrative Provisions.

*Strawberry Valley land exchange.*—Funds from the sale or exchange of authorized lands and the need for administrative sites and improvements by the Uinta National Forest.

*Recreation fee collection costs.*—Under authority of Section 10002(b) of the Omnibus Budget Reconciliation Act of 1993 (P.L. 103–66), which amended Section 4(i)(1) of the L&WCF

Act, the Secretaries of Agriculture and Interior are authorized to withhold a portion of all recreation fees collected (not to exceed 15 percent), to be available during the current fiscal year, without further appropriation to cover fee collection costs.

*Tongass timber supply fund.*—Funds from sales of Alaska timber to maintain the timber supply from the Tongass National Forest at a specified level (16 U.S.C. 539d).

*Timber salvage sales.*—Funds are used for salvage of insect-infested, dead, damaged, or down timber, and to remove associated trees for stand improvement (16 U.S.C. 472a(h)).

*Timber Sales Pipeline Restoration Fund.*—As authorized under Section 327 of the Omnibus Consolidated Recissions and Appropriations Act of 1996, funds from revenues received from timber sales released under Section 2001(k) of the 1995 Supplemental Appropriations for Disaster Assistance and Recissions Act for the purpose of restoring the timber pipeline and funding the backlog of recreation projects on National Forest System lands.

*Purchaser Road Credits.*—The budget eliminates purchaser road credits beginning in 1999. These credits are an unnecessary complicating factor to the Forest Service fiscal and budgetary systems. To compensate for the future unavailability of road credits, purchasers will be required to construct or reconstruct any necessary roads as a condition of the sale contract. Their competitive timber bids are expected to decline by the amount of the credits.

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

Identification code 12–9921–0–2–999	1997 actual	1998 est.	1999 est.
11.1 Personnel compensation: Full-time permanent .....	126	96	92
12.1 Civilian personnel benefits .....	28	27	26
41.0 Grants, subsidies, and contributions .....	218	248	261
99.9 Total obligations .....	372	371	379

**Personnel Summary**

Identification code 12–9921–0–2–999	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment .....	3,601	3,029	2,828

**MISCELLANEOUS PERMANENT APPROPRIATIONS**

(Legislative proposal, subject to PAYGO)

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

Identification code 12–9921–4–2–999	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
00.01 Payments to States, National forest fund .....			–135
10.00 Total obligations .....			–135
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....			–135
23.95 New obligations .....			135
<b>New budget authority (gross), detail:</b>			
60.25 Appropriation (special fund, indefinite) .....			–135
<b>Change in unpaid obligations:</b>			
73.10 New obligations .....			–135
73.20 Total outlays (gross) .....			135
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority .....			–135
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			–135
90.00 Outlays .....			–135

Current receipt sharing payments (“Twenty-Five Percent Fund”) are proposed to be replaced by a stable, guaranteed level of payments consistent with the guaranteed payments “Payments to States, Northern Spotted Owl Guarantee”. See the legislative proposal under that account.

The Recreation Fee Demonstration Program is proposed to be permanently extended beyond 2000, and would authorize the direct expenditure of all recreation fees collected by the Forest Service and Department of Interior agencies.

**Intragovernmental funds:**

**WORKING CAPITAL FUND**

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

Identification code 12-4605-0-4-302	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
09.01 Operating expenses .....	114	73	73
09.02 Capital investment .....	56	58	58
10.00 Total obligations .....	170	131	131
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested .....	138	114	117
22.00 New budget authority (gross) .....	146	134	134
23.90 Total budgetary resources available for obligation	284	248	251
23.95 New obligations .....	-170	-131	-131
24.40 Unobligated balance available, end of year:			
Uninvested .....	114	117	120
<b>New budget authority (gross), detail:</b>			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash) .....	146	134	134
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	41	69	66
73.10 New obligations .....	170	131	131
73.20 Total outlays (gross) .....	-142	-134	-134
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested .....	69	66	63
<b>Outlays (gross), detail:</b>			
86.93 Outlays from current balances .....	41		
86.97 Outlays from new permanent authority .....	101	134	134
87.00 Total outlays (gross) .....	142	134	134
<b>Offsets:</b>			
88.00 Against gross budget authority and outlays:			
Offsetting collections (cash) from: Federal sources	-146	-134	-134
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....			
90.00 Outlays .....	-4		

The Working Capital Fund is a self-sustaining revolving fund that provides services to National Forests, to Research Experiment Stations, to other Federal agencies when necessary, to State and private agencies as provided by law, and to persons who cooperate with the Forest Service in fire control and other authorized programs.

Forestry-related supply and support services include:

**Equipment Services.**—The fund owns, operates, maintains, replaces, and repairs common-use, motor-driven, and similar equipment. This equipment is rented to administrative units, that is, National Forests, Research Experiment Stations, and other units, and, in some cases, to other agencies, at rates which recover the cost of operation, repair and maintenance, management, and depreciation. The rates also include an increment which provides additional cash which, when added to depreciation earnings and the residual value of equipment, provides sufficient funds to replace the equipment.

**Aircraft Services.**—The fund operates, maintains, and repairs Forest Service owned aircraft used in fire surveillance

and suppression and in other Forest Service programs. The aircraft are rented to National Forests, Research Experiment Stations, and in some cases to other agencies, at rates which recover the cost of depreciation, operation, maintenance, repair, and improvements in the airworthiness of the aircraft. Aircraft replacement costs are financed from either appropriated funds or the Forest Service Working Capital Fund, or a combination of both.

**Computer Services.**—The Fund provides computer hardware, software, and radio equipment.

**Supply Services.**—The fund operates the following common services, and provides for cost-recovery of Working Capital Fund Program Management:

Photo reproduction laboratories that store, reproduce, and supply aerial photographs, aerial maps, and other photographs of National Forest lands. Photographic reproductions are sold to National Forests, Experiment Stations, and others at cost.

Sign shops that manufacture and supply special signs for the National Forests for use in regulating traffic and as information to the public and other users of the National Forests. Signs are sold to National Forests and Experiment Stations at cost.

Seed supply services that provide tree seed for direct seeding or sowing in nurseries for the production of trees. Includes purchase or collection of cones, extraction of seeds, cleaning and testing, and storage and delivery. Operates in conjunction with tree nurseries; that is, forest tree nurseries and cold storage facilities for storage of tree seedlings. Tree seedlings are sold to National Forests, State foresters, and other co-operators at cost.

**Statement of Operations** (in millions of dollars)

Identification code 12-4605-0-4-302	1996 actual	1997 actual	1998 est.	1999 est.
0101 Revenue .....	152	146	134	134
0102 Expense .....	-136	-113	-131	-131
0109 Net income .....	16	33	3	3

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

Identification code 12-4605-0-4-302	1996 actual	1997 actual	1998 est.	1999 est.
<b>ASSETS:</b>				
1101 Federal assets: Fund balances with Treasury .....	198	197	203	209
Other Federal assets:				
1802 Inventories and related properties .....	28	26	27	28
1803 Property, plant and equipment, net .....	329	335	345	355
1999 Total assets .....	555	558	575	592
<b>LIABILITIES:</b>				
2201 Non-Federal liabilities: Accounts payable .....	13	12	12	12
2999 Total liabilities .....	13	12	12	12
<b>NET POSITION:</b>				
3300 Cumulative results of operations .....	542	546	563	580
3999 Total net position .....	542	546	563	580
4999 Total liabilities and net position .....	555	558	575	592

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

Identification code 12-4605-0-4-302	1997 actual	1998 est.	1999 est.
13.0 Benefits for former personnel .....	1	1	1
21.0 Travel and transportation of persons .....	1	1	1
23.1 Rental payments to GSA .....	1	1	1
23.2 Rental payments to others .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services .....	48	16	16
26.0 Supplies and materials .....	29	20	20
31.0 Equipment .....	88	90	90
99.9 Total obligations .....	170	131	131

Note.—Personnel totals are included with personnel totals of all other Forest Service programs.

**Trust Funds**

**FOREST SERVICE TRUST FUNDS**

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

Identification code 12-9974-0-7-302	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year			
Receipts:			
02.01 Forest Service Cooperative fund	180	196	186
02.02 Transfers from general fund of amounts equal to certain customs duties	30	30	30
02.99 Total receipts	210	226	216
Appropriation:			
05.01 Forest Service trust funds	-210	-226	-216
07.99 Total balance, end of year			

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

Identification code 12-9974-0-7-302	1997 actual	1998 est.	1999 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations	85	261	216
<b>Budgetary resources available for obligation:</b>			
21.40 Unobligated balance available, start of year:			
Uninvested	182	307	272
22.00 New budget authority (gross)	210	226	216
23.90 Total budgetary resources available for obligation	392	533	488
23.95 New obligations	-85	-261	-216
24.40 Unobligated balance available, end of year:			
Uninvested	307	272	272
<b>New budget authority (gross), detail:</b>			
60.27 Appropriation (trust fund, indefinite)	210	226	216
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	53	51	44
73.10 New obligations	85	261	216
73.20 Total outlays (gross)	-88	-268	-216
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	51	44	44
<b>Outlays (gross), detail:</b>			
86.97 Outlays from new permanent authority	35	217	146
86.98 Outlays from permanent balances	53	51	70
87.00 Total outlays (gross)	88	268	216
<b>Net budget authority and outlays:</b>			
89.00 Budget authority	210	226	216
90.00 Outlays	88	268	216
Distribution of budget authority by account:			
Reforestation trust fund	30		
Cooperative Work trust fund	180		
Distribution of outlays by account:			
Reforestation trust fund	31		
Cooperative Work trust fund	57		

**Reforestation trust fund.**—Amounts from this account are used for reforestation as authorized by 16 U.S.C. 1606a (d) and (e).

**Cooperative work trust fund.**—Advances, including deposits from purchasers of timber, are received and used for specified work in forest investigations, protection, and improvement of the National Forest System, including protection, reforestation, and administration of private lands adjacent to National Forests (7 U.S.C. 2269; 16 U.S.C. 498, 535, 565a, 572, 572a, 576b, 1643; and 31 U.S.C. 1321).

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

Identification code 12-9974-0-7-302	1997 actual	1998 est.	1999 est.
Personnel compensation:			
11.1 Full-time permanent	69	64	59

11.3 Other than full-time permanent	12	10	9
11.5 Other personnel compensation	4	3	3
11.9 Total personnel compensation	85	77	71
12.1 Civilian personnel benefits		18	16
13.0 Benefits for former personnel		2	2
21.0 Travel and transportation of persons		3	3
22.0 Transportation of things		1	1
23.1 Rental payments to GSA		3	3
23.2 Rental payments to others		2	2
23.3 Communications, utilities, and miscellaneous charges		4	4
25.2 Other services		124	87
26.0 Supplies and materials		18	18
31.0 Equipment		5	5
32.0 Land and structures		3	3
41.0 Grants, subsidies, and contributions		1	1
99.9 Total obligations	85	261	216

**Personnel Summary**

Identification code 12-9974-0-7-302	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment	2,705	2,833	2,565

**ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS**

Note.—Obligations incurred under allocations or allotments from other accounts are included in the schedule of the parent appropriations, as follows:

**Agriculture:**

Agricultural Research Service.

Natural Resources Conservation Service:

    Watershed and flood prevention operations.

    Resource conservation and development.

    Watershed planning.

    River basin surveys and investigations.

Conservation Reserve Program.

Department Administration:

    Hazardous waste management.

Rural Housing and Community Development Service; Rural community fire protection grants.

Transportation: Federal Highway Administration, Highway Trust Fund.

Labor: Employment and Training Administration, Training and employment services.

**ADMINISTRATIVE PROVISIONS, FOREST SERVICE**

Appropriations to the Forest Service for the current fiscal year shall be available for: (1) purchase of not to exceed [159] 177 passenger motor vehicles of which 22 will be used primarily for law enforcement purposes and of which [156] 176 shall be for replacement; acquisition of 25 passenger motor vehicles from excess sources, and hire of such vehicles; operation and maintenance of aircraft, the purchase of not to exceed two for replacement only, and acquisition of [20 aircraft from excess sources] sufficient aircraft from excess sources to maintain the operable fleet at 198 aircraft for use in Forest Service wildland fire programs and other Forest Service programs; notwithstanding other provisions of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft; (2) services pursuant to 7 U.S.C. 2225, and not to exceed \$100,000 for employment under 5 U.S.C. 3109; (3) purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (4) acquisition of land, waters, and interests therein, pursuant to 7 U.S.C. 428a; (5) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C. 558a, 558d, and 558a note); (6) the cost of uniforms as authorized by 5 U.S.C. 5901-5902; and (7) for debt collection contracts in accordance with 31 U.S.C. 3718(c).

[None of the funds made available under this Act shall be obligated or expended to change the boundaries of any region, to abolish any region, to move or close any regional office for research, State and private forestry, or National Forest System administration of the Forest Service, Department of Agriculture without the consent of the House and Senate Committees on Appropriations.]

Any appropriations or funds available to the Forest Service may be [advanced]: (1) *transferred* to the Wildland Fire Management appropriation [and may be used] for forest firefighting [and the], emergency rehabilitation of burned-over or damaged lands or waters under its jurisdiction, and fire preparedness due to severe burning conditions; or (2) *charged directly* for costs of forest firefighting, emergency rehabilitation of burned-over or damaged lands or waters under its jurisdiction, and fire preparedness due to severe burning conditions when funds appropriated to the Wildland Fire Management appropriation have been exhausted.

Funds appropriated to the Forest Service shall be available for assistance to or through the Agency for International Development and the Foreign Agricultural Service in connection with forest and rangeland research, technical information, and assistance in foreign countries, and shall be available to support forestry and related natural resource activities outside the United States and its territories and possessions, including technical assistance, education and training, and cooperation with United States and international organizations.

[None of the funds made available to the Forest Service under this Act shall be subject to transfer under the provisions of section 702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257) or 7 U.S.C. 147b unless the proposed transfer is approved in advance by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in the report accompanying this bill.]

[None of the funds available to the Forest Service may be reprogrammed without the advance approval of the House and Senate Committees on Appropriations in accordance with the procedures contained in the report accompanying this bill.]

[No funds appropriated to the Forest Service shall be transferred to the Working Capital Fund of the Department of Agriculture without the approval of the Chief of the Forest Service.]

Notwithstanding any other provision of law, *hereafter* any appropriations or funds available to the Forest Service may be used to disseminate program information to private and public individuals and organizations through the use of nonmonetary items of nominal value and to provide nonmonetary awards of nominal value and to incur necessary expenses for the nonmonetary recognition of private individuals and organizations that make contributions to Forest Service programs.

Notwithstanding any other provision of law, *hereafter* money collected, in advance or otherwise, by the Forest Service under authority of section 101 of Public Law 93-153 (30 U.S.C. 185(1)) as reimbursement of administrative and other costs incurred in processing pipeline right-of-way or permit applications and for costs incurred in monitoring the construction, operation, maintenance, and termination of any pipeline and related facilities, may be used to reimburse the applicable appropriation to which such costs were originally charged.

Funds available to the Forest Service shall be available to conduct a program of not less than \$1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by the Youth Conservation Corps as authorized by the Act of August 13, 1970, as amended by Public Law 93-408.

[None of the funds available in this Act shall be used for timber sale preparation using clearcutting in hardwood stands in excess of 25 percent of the fiscal year 1989 harvested volume in the Wayne National Forest, Ohio: *Provided*, That this limitation shall not apply to hardwood stands damaged by natural disaster: *Provided further*, That landscape architects shall be used to maintain a visually pleasing forest.]

Any money collected from the States for fire suppression assistance rendered by the Forest Service on non-Federal lands not in the vicinity of National Forest System lands shall *hereafter* be used to reimburse the applicable appropriation and shall remain available until expended as the Secretary may direct in conducting activities authorized by 16 U.S.C. 2101 note, 2101-2110, 1606, and 2111.

Of the funds available to the Forest Service, \$1,500 is available to the Chief of the Forest Service for official reception and representation expenses.

Notwithstanding any other provision of law, *hereafter* the Forest Service is authorized to employ or otherwise contract with persons at regular rates of pay, as determined by the Service, to perform work occasioned by emergencies such as fires, storms, floods, earthquakes or any other unavoidable cause without regard to Sundays, Federal holidays, and the regular workweek.

[To the greatest extent possible, and in accordance with the Final Amendment to the Shawnee National Forest Plan, none of the funds

available in this Act shall be used for preparation of timber sales using clearcutting or other forms of even-aged management in hardwood stands in the Shawnee National Forest, Illinois.]

Pursuant to sections 405(b) and 410(b) of Public Law 101-593, of the funds available to the Forest Service, up to \$2,250,000 may be advanced in a lump sum as Federal financial assistance to the National Forest Foundation, without regard to when the Foundation incurs expenses, for administrative expenses or projects on or benefiting National Forest System lands or related to Forest Service programs: *Provided*, That of the Federal funds made available to the Foundation, no more than [\$750,000] \$500,000 shall be available for administrative expenses: *Provided further*, That the Foundation shall obtain, [by the end of the period of Federal financial assistance] *within twelve months from the date of such advance*, private contributions to match on at least one-for-one basis funds made available by the Forest Service: *Provided further*, That the Foundation may transfer Federal funds to a *non-Federal* recipient [of Federal financial assistance] for a project at the same rate that the recipient has obtained the non-Federal matching funds: *Provided further*, That hereafter, the National Forest Foundation may hold Federal funds made available but not immediately disbursed and may use any interest or other investment income earned (before, on, or after the date of enactment of this Act) on Federal funds to carry out the purposes of Public Law 101-593: *Provided further*, That such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

Pursuant to section 2(b)(2) of Public Law 98-244, up to \$2,000,000 of the funds available to the Forest Service shall be available for matching funds to the *National Fish and Wildlife Foundation*, as authorized by 16 U.S.C. 3701-3709, and may be advanced in a lump sum as Federal financial assistance, without regard to when expenses are incurred, for projects on or benefitting National Forest System lands or related to Forest Service programs: *Provided*, That the Foundation shall obtain, [by the end of the period of Federal financial assistance,] *within twelve months from the date of such advance* private contributions to match on at least one-for-one basis funds advanced by the Forest Service: *Provided further*, That the Foundation may transfer Federal funds to a *non-Federal* recipient [of Federal financial assistance] for a project at the same rate that the recipient has obtained the non-Federal matching funds.

Funds appropriated to the Forest Service shall be available for interactions with and providing technical assistance to rural communities for sustainable rural development purposes.

Notwithstanding any other provision of law, 80 percent of the funds appropriated to the Forest Service in the "National Forest System" and "Reconstruction and Construction" accounts and planned to be allocated to activities under the "Jobs in the Woods" program for projects on National Forest land in the State of Washington may be granted directly to the Washington State Department of Fish and Wildlife for accomplishment of planned projects. Twenty percent of said funds shall be retained by the Forest Service for planning and administering projects. Project selection and prioritization shall be accomplished by the Forest Service with such consultation with the State of Washington as the Forest Service deems appropriate.

Funds appropriated to the Forest Service shall be available for payments to counties within the Columbia River Gorge National Scenic Area, pursuant to sections 14(c)(1) and (2), and section 16(a)(2) of Public Law 99-663.

[Any funds available to the Forest Service may be used for retrofitting the Commanding Officer's Building (S-2), to accommodate the relocation of the Forest Supervisor's Office for the San Bernardino National Forest: *Provided*, That funds for the move must come from funds otherwise available to Region 5: *Provided further*, That any funds to be provided for such purposes shall only be available upon approval of the House and Senate Committees on Appropriations.]

The Secretary of Agriculture is authorized to enter into grants, contracts, and cooperative agreements as appropriate with the Pinchot Institute for Conservation, as well as with public and other private agencies, organizations, institutions, and individuals, to provide for the development, administration, maintenance, or restoration of land, facilities, or Forest Service programs, at the Grey Towers National Historic Landmark: *Provided*, That, subject to such terms and conditions as the Secretary of Agriculture may prescribe, any such public or private agency, organization, institution, or individual may solicit, accept, and administer private gifts of money and real or personal property for the benefit of, or in connection with, the activities and services at the Grey Towers National Historic Land-

mark: *Provided further*, That such gifts may be accepted notwithstanding the fact that a donor conducts business with the Department of Agriculture in any capacity.

Funds appropriated to the Forest Service shall be available, as determined by the Secretary, for payments to Del Norte County, California, pursuant to sections 13(e) and 14 of the Smith River National Recreation Area Act (Public Law 101-612).

For purposes of the Southeast Alaska Economic Disaster Fund as set forth in section 101(c) of Public Law 104-134, the direct grants provided in subsection (c) shall be considered direct payments for purposes of all applicable law except that these direct grants may not be used for lobbying activities.

[No employee of the Department of Agriculture may be detailed or assigned from an agency or office funded by this Act to any other agency or office of the Department for more than 30 days unless the individual's employing agency or office is fully reimbursed by the receiving agency or office for the salary and expenses of the employee for the period of assignment.]

[No funds appropriated under this or any other Act for the purpose of operations conducted at the Forest Service Region 10 headquarters, including those funds identified for centralized field costs for employees of this office, shall be obligated or expended in excess of \$17,500,000 from the total funds appropriated for Region 10, without 60 days prior notice to Congress. Funds appropriated by this Act to implement the Revised Tongass National Forest Land Management Plan, shall be spent and obligated at the Forest Supervisor and Ranger District levels, with the exception of specific management and oversight expenses, provided such expenses are included in the funding ceiling of \$17,500,000.]

*Notwithstanding 16 U.S.C. 472a(i), for purchasers qualified under such section to elect that the Secretary build roads specified by a timber sale contract, the option to elect shall hereafter be available. (Department of the Interior and Related Agencies Appropriations Act, 1998.)*

**GENERAL FUND RECEIPT ACCOUNTS**

(in millions of dollars)

	1997 actual	1998 est.	1999 est.
Offsetting receipts from the public:			
12-181100 National grasslands .....	12	14	18
12-222100 National forest fund .....	116	104	102
Legislative proposal, subject to PAYGO .....			135
12-262400 Proceeds from sale of real property .....	1		
General Fund Offsetting receipts from the public .....	129	118	255

**OTHER CONSOLIDATED RECEIPT ACCOUNTS**

(in millions of dollars)

	1997 actual	1998 est.	1999 est.
12-977210 Miscellaneous contributed funds .....	2		

**TITLE VII—GENERAL PROVISIONS**

SEC. 701. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for the fiscal year [1998] 1999 under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed [394] 440 passenger motor vehicles, of which [391] 437 shall be for replacement only, and for the hire of such vehicles.

SEC. 702. Funds in this Act available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901-5902).

SEC. 703. Not less than \$1,500,000 of the appropriations of the Department of Agriculture in this Act for research and service work authorized by the Acts of August 14, 1946, and July 28, 1954 (7 U.S.C. 427, 1621-1629), and by chapter 63 of title 31, United States Code, shall be available for contracting in accordance with said Acts and chapter.

SEC. 704. The cumulative total of transfers to the Working Capital Fund for the purpose of accumulating growth capital for data services

and National Finance Center operations shall not exceed \$2,000,000: *Provided*, That no funds in this Act appropriated to an agency of the Department shall be transferred to the Working Capital Fund without the approval of the agency administrator.

SEC. 705. New obligational authority provided for the following appropriation items in this Act shall remain available until expended (7 U.S.C. 2209b): Animal and Plant Health Inspection Service, the contingency fund to meet emergency conditions, fruit fly program, and integrated systems acquisition project; Farm Service Agency, salaries and expenses funds made available to county committees; and Foreign Agricultural Service, middle-income country training program.

New obligational authority for the boll weevil program; up to 10 percent of the screwworm program of the Animal and Plant Health Inspection Service; Food Safety and Inspection Service, field automation and information management project; funds appropriated for rental payments; funds for the Native American Institutions Endowment Fund in the Cooperative State Research, Education, and Extension Service; and funds for the competitive research grants (7 U.S.C. 450i(b)), shall remain available until expended.

SEC. 706. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 707. Not to exceed \$50,000 of the appropriations available to the Department of Agriculture in this Act shall be available to provide appropriate orientation and language training pursuant to Public Law 94-449.

SEC. 708. No funds appropriated by this Act may be used to pay negotiated indirect cost rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 percent of the total direct cost of the agreement when the purpose of such cooperative arrangements is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.

SEC. 709. Notwithstanding any other provision of this Act, commodities acquired by the Department in connection with Commodity Credit Corporation and section 32 price support operations may be used, as authorized by law (15 U.S.C. 714c and 7 U.S.C. 612c), to provide commodities to individuals in cases of hardship as determined by the Secretary of Agriculture.

[SEC. 710. None of the funds in this Act shall be available to reimburse the General Services Administration for payment of space rental and related costs in excess of the amounts specified in this Act; nor shall this or any other provision of law require a reduction in the level of rental space or services below that of fiscal year 1997 or prohibit an expansion of rental space or services with the use of funds otherwise appropriated in this Act. Further, no agency of the Department of Agriculture, from funds otherwise available, shall reimburse the General Services Administration for payment of space rental and related costs provided to such agency at a percentage rate which is greater than is available in the case of funds appropriated in this Act.]

SEC. [711] 710. None of the funds in this Act shall be available to restrict the authority of the Commodity Credit Corporation to lease space for its own use or to lease space on behalf of other agencies of the Department of Agriculture when such space will be jointly occupied.

SEC. [712] 711. With the exception of grants awarded under the Small Business Innovation Development Act of 1982, Public Law 97-219 (15 U.S.C. 638), none of the funds in this Act shall be available to pay indirect costs on research grants awarded competitively by the Cooperative State Research, Education, and Extension Service that exceed [14] 25 percent of total Federal funds provided under each award.

SEC. [713] 712. Notwithstanding any other provisions of this Act, all loan levels provided in this Act shall be considered estimates, not limitations.

SEC. [714] 713. Appropriations to the Department of Agriculture for the cost of direct and guaranteed loans made available in fiscal year [1998] 1999 shall remain available until expended to cover obligations made in fiscal year [1998] 1999 for the following accounts: the rural development loan fund program account; the Rural Telephone Bank program account; the rural electrification and telecommunications loans program account; and the rural economic development loans program account.

SEC. [715] 714. Such sums as may be necessary for fiscal year [1998] 1999 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

[SEC. 716. Hereafter: (a) Compliance With Buy American Act.—None of the funds made available in this Act may be expended by an entity unless the entity agrees that in expending the funds the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c; popularly known as the “Buy American Act”).

(b) Sense of Congress; Requirement Regarding Notice.—

(1) Purchase of american-made equipment and products.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available in this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products.

(2) Notice to recipients of assistance.—In providing financial assistance using funds made available in this Act, the head of each Federal agency shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

(c) Prohibition of Contracts With Persons Falsely Labeling Products as Made in America.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a “Made in America” inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations].

SEC. [717] 715. Notwithstanding the Federal Grant and Cooperative Agreement Act, marketing services of the Agricultural Marketing Service and the Animal and Plant Health Inspection Service may use cooperative agreements to reflect a relationship between the Agricultural Marketing Service or the Animal and Plant Health Inspection Service and a State or Cooperator to carry out agricultural marketing programs or to carry out programs to protect the Nation’s animal and plant resources.

SEC. [718. None of the funds in this Act may be used to retire more than 5 percent of the Class A stock of the Rural Telephone Bank or to maintain any account or subaccount within the accounting records of the Rural Telephone Bank the creation of which has not specifically been authorized by statute: *Provided*, That notwithstanding] 716. *Notwithstanding* any other provision of law, none of the funds appropriated or otherwise made available in this Act may be used to transfer to the Treasury or to the Federal Financing Bank any unobligated balance of the Rural Telephone Bank telephone liquidating account which is in excess of current requirements and such balance shall receive interest as set forth for financial accounts in section 505(c) of the Federal Credit Reform Act of 1990.

SEC. [719] 717. None of the funds made available in this Act may be used to provide assistance to, or to pay the salaries of personnel who carry out a market promotion/market access program pursuant to section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) that provides assistance to the United States Mink Export Development Council or any mink industry trade association.

[SEC. 720. Of the funds made available by this Act, not more than \$1,000,000 shall be used to cover necessary expenses of activities related to all advisory committees, panels, commissions, and task forces of the Department of Agriculture except for panels used to comply with negotiated rule makings and panels used to evaluate competitively awarded grants.]

[SEC. 721. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel who carry out an export enhancement program if the aggregate amount of funds and/or commodities under such program exceeds \$150,000,000.]

SEC. [722] 718. None of the funds appropriated in this Act may be used to carry out the provisions of section 918 of Public Law 104–127, the Federal Agriculture Improvement and Reform Act.

[SEC. 723. No employee of the Department of Agriculture may be detailed or assigned from an agency or office funded by this Act to any other agency or office of the Department for more than 30 days unless the individual’s employing agency or office is fully reimbursed by the receiving agency or office for the salary and expenses of the employee for the period of assignment.]

[SEC. 724. None of the funds appropriated or otherwise made available to the Department of Agriculture shall be used to transmit or otherwise make available to any non-Department of Agriculture employee questions or responses to questions that are a result of information requested for the appropriations hearing process.]

[SEC. 725. None of the funds appropriated or otherwise made available in this Act may be expended or obligated to fund the activities of the Western Director and Special Assistant to the Secretary within the Office of the Secretary of Agriculture or any similar position.]

[SEC. 726. None of the funds made available to the Department of Agriculture by this Act may be used to acquire new information technology systems or significant upgrades, as determined by the Office of the Chief Information Officer, without the approval of the Chief Information Officer and the concurrence of the Executive Information Technology Investment Review Board.]

[SEC. 727. (a) None of the funds provided by this Act, or provided by previous Appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal year 1998, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure through a reprogramming of funds which: (1) creates new programs; (2) eliminates a program, project, or activity; (3) increases funds or personnel by any means for any project or activity for which funds have been denied or restricted; (4) relocates an office or employees; (5) reorganizes offices, programs, or activities; or (6) contracts out or privatizes any functions or activities presently performed by Federal employees; unless the Appropriations Committees of both Houses of Congress are notified fifteen days in advance of such reprogramming of funds.

(b) None of the funds provided by this Act, or provided by previous Appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal year 1998, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure for activities, programs, or projects through a reprogramming of funds in excess of \$500,000 or 10 percent, whichever is less, that: (1) augments existing programs, projects, or activities; (2) reduces by 10 percent funding for any existing program, project, or activity, or numbers of personnel by 10 percent as approved by Congress; or (3) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects as approved by Congress; unless the Appropriations Committees of both Houses of Congress are notified fifteen days in advance of such reprogramming of funds.]

[SEC. 728. Section 3(c) of the Federal Noxious Weed Act of 1974 (7 U.S.C. 2802(c)) is amended by inserting before the period at the end the following: “, and includes kudzu (*Pueraria lobata* Dc)”.]

[SEC. 729. Notwithstanding section 520 of the Housing Act of 1949, (42 U.S.C. 1490) the Martin Luther King area of Pawley’s Island, South Carolina, located in Georgetown County, shall be eligible for loans and grants under section 504 of the Housing Act of 1949.]

[SEC. 730. None of the funds made available to the Food and Drug Administration by this Act shall be used to close or relocate the Food and Drug Administration Division of Drug Analysis in St. Louis, Missouri.]

[SEC. 731. Effective on October 1, 1998, section 136(a) of the Agricultural Market Transition Act (7 U.S.C. 7236(a)) is amended—

(1) in paragraph (1)—

(A) by striking “Subject to paragraph (4), during” and inserting “During”; and

(B) in subparagraph (B), by striking “130” and inserting “134”; (2) by striking paragraph (4); and

(3) by redesignating paragraph (5) as paragraph (4).]

[SEC. 732. Study of Northeast Interstate Dairy Compact. (a) Definitions.—In this section:

(1) Child, senior, and low-income nutrition programs.—The term “child, senior, and low-income nutrition programs” includes—

(A) the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

(B) the school lunch program established under the National School Lunch Act (42 U.S.C. 1751 et seq.);

(C) the summer food service program for children established under section 13 of that Act (42 U.S.C. 1761);

(D) the child and adult care food program established under section 17 of that Act (42 U.S.C. 1766);

(E) the special milk program established under section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772);

(F) the school breakfast program established under section 4 of that Act (42 U.S.C. 1773);

(G) the special supplemental nutrition program for women, infants, and children authorized under section 17 of that Act (42 U.S.C. 1786); and

(H) the nutrition programs and projects carried out under part C of title III of the Older Americans Act of 1965 (42 U.S.C. 3030e et seq.).

(2) Compact.—The term “Compact” means the Northeast Interstate Dairy Compact.

(3) Northeast interstate dairy compact.—The term “Northeast Interstate Dairy Compact” means the Northeast Interstate Dairy Compact referred to in section 147 of the Agricultural Market Transition Act (7 U.S.C. 7256).

(4) Director.—The term “Director” means the Director of the Office of Management and Budget.

(b) Evaluation.—Not later than December 31, 1997, the Director shall conduct, complete, and transmit to Congress a comprehensive economic evaluation of the direct and indirect effects of the Northeast Interstate Dairy Compact and other factors which affect the price of fluid milk.

(c) Components.—In conducting the evaluation, the Director shall consider, among other factors, the effects of implementation of the rules and regulations of the Northeast Interstate Dairy Compact Commission, such as rules and regulations relating to over-order Class I pricing and pooling provisions. This evaluation shall consider such effects prior to implementation of the Compact and that would have occurred in the absence of the implementation of the Compact. The evaluation shall include an analysis of the impacts on—

(1) child, senior, and low-income nutrition programs including impacts on schools and institutions participating in the programs, on program recipients, and other factors;

(2) the wholesale and retail cost of fluid milk;

(3) the level of milk production, the number of cows, the number of dairy farms, and milk utilization in the Compact region, including—

(A) changes in the level of milk production, the number of cows, and the number of dairy farms in the Compact region relative to trends in the level of milk production and trends in the number of cows and dairy farms prior to implementation of the Compact;

(B) changes in the disposition of bulk and packaged milk for Class I, II, or III use produced in the Compact region to areas outside the region relative to the milk disposition to areas outside the region;

(C) changes in—

(i) the share of milk production for Class I use of the total milk production in the Compact region; and

(ii) the share of milk production for Class II and Class III use of the total milk production in the Compact region;

(4) dairy farmers and dairy product manufacturers in States and regions outside the Compact region with respect to the impact of changes in milk production, and the impact of any changes in disposition of milk originating in the Compact region, on national milk supply levels and farm level milk prices nationally; and

(5) the cost of carrying out the milk price support program established under section 141 of the Agricultural Market Transition Act (7 U.S.C. 7251).

(d) Additional States and Compacts.—The Director shall evaluate and incorporate into the evaluation required under subsection (b) an evaluation of the economic impact of adding additional States to the Compact for the purpose of increasing prices paid to milk producers. ]

[SEC. 733. From proceeds earned from the sale of grain in the disaster reserve established in the Agricultural Act of 1970, the Secretary may use up to an additional \$2,000,000 to implement a livestock indemnity program as established in Public Law 105–18.]

[SEC. 734. Planting of Wild Rice on Contract Acreage.—None of the funds appropriated in this Act may be used to administer the provision of contract payments to a producer under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) for contract acreage

on which wild rice is planted unless the contract payment is reduced by an acre for each contract acre planted to wild rice.]

[SEC. 735. Rural Housing Programs. (a) Housing in Underserved Areas Program.—The first sentence of section 509(f)(4)(A) of the Housing Act of 1949 (42 U.S.C. 1479(f)(4)(A)) is amended by striking “fiscal year 1997” and inserting “fiscal year 1998”.

(b) Housing and Related Facilities for Elderly Persons and Families and Other Low-Income Persons and Families.—

(1) Authority to make loans.—Section 515(b)(4) of the Housing Act of 1949 (42 U.S.C. 1485(b)(4)) is amended by striking “September 30, 1997” and inserting “September 30, 1998”.

(2) Set-aside for nonprofit entities.—The first sentence of section 515(w)(1) of the Housing Act of 1949 (42 U.S.C. 1485(w)(1)) is amended by striking “fiscal year 1997” and inserting “fiscal year 1998”.

(3) Loan term.—Section 515 of the Housing Act of 1949 (42 U.S.C. 1485) is amended—

(A) in subsection (a)(2), by striking “up to fifty” and inserting “up to 30”; and

(B) in subsection (b)—

(i) by striking paragraph (2) and inserting the following:

“(2) such a loan may be made for a period of up to 30 years from the making of the loan, but the Secretary may provide for periodic payments based on an amortization schedule of 50 years with a final payment of the balance due at the end of the term of the loan;”;

(ii) in paragraph (5), by striking “and” at the end;

(iii) in paragraph (6), by striking the period at the end and inserting “; and”; and

(iv) by adding at the end the following:

“(7) the Secretary may make a new loan to the current borrower to finance the final payment of the original loan for an additional period not to exceed twenty years, if—

“(A) the Secretary determines—

“(i) it is more cost-efficient and serves the tenant base more effectively to maintain the current property than to build a new property in the same location; or

“(ii) the property has been maintained to such an extent that it warrants retention in the current portfolio because it can be expected to continue providing decent, safe, and affordable rental units for the balance of the loan; and

“(B) the Secretary determines—

“(i) current market studies show that a need for low-income rural rental housing still exists for that area; and

“(ii) any other criteria established by the Secretary has been met.”.

(c) Loan Guarantees for Multifamily Rental Housing in Rural Areas.—Section 538 of the Housing Act of 1949 (42 U.S.C. 1490p–2) is amended—

(1) in subsection (q), by striking paragraph (2) and inserting the following:

“(2) Annual limitation on amount of loan guarantee.—In each fiscal year, the Secretary may enter into commitments to guarantee loans under this section only to the extent that the costs of the guarantees entered into in such fiscal year do not exceed such amount as may be provided in appropriation Acts for such fiscal year.”;

(2) by striking subsection (t) and inserting the following:

“(t) Authorization of Appropriations.—There are authorized to be appropriated for fiscal year 1998 for costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of loan guarantees made under this section such sums as may be necessary for such fiscal year.”; and

(3) in subsection (u), by striking “1996” and inserting “1998”.

This Act may be cited as the “Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998”.]

SEC. 719. Funds made available to the Farm Service Agency, the Natural Resources Conservation Service, and the Rural Development agencies may be used to support a staff office established to provide common support services, including the common computer system for use by such agencies. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1998.)