

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] \$2,872,000**. *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*, 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] \$621,000**.

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] \$3,714,000**. *Provided*, That no other funds appropriated to the Department in this Act shall be available to the Department for support of activities of congressional relations: *Provided further*, That not less than **[\$2,241,000] \$2,268,000** 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] \$547,000**.

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, Agricultural Marketing Service, and the Grain Inspection, Packers and Stockyards Administration, **[\$618,000] \$625,000**.

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] \$583,000**.

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, Foreign Agricultural Service, *the Office of Risk Management*, and the Commodity Credit Corporation, **[\$572,000] \$580,000**.

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] \$702,000**.

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, Rural Business-Cooperative Service, and the Rural Utilities Service of the Department of Agriculture, **[\$588,000] \$596,000**.

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 Service, **[\$454,000] \$560,000**. (*7 U.S.C. 2201-2202; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.*)

Program and Financing (in millions of dollars)			
Identification code 12-0115-0-1-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Office of the Secretary	3	3	3
00.02 Under/Assistant Secretaries	5	6	6
00.03 Service Center Implementation	3	4	.....
10.00 Total obligations	11	13	9
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year: Uninvested balance .....	.....	4	.....
22.00 New budget authority (gross)	16	9	9
23.90 Total budgetary resources available for obligation	16	13	9
23.95 New obligations	-11	-13	-9
24.40 Unobligated balance available, end of year: Uninvested balance	4	.....	.....
New budget authority (gross), detail:			
40.00 Appropriation	18	11	11
41.00 Transferred to other accounts	-2	-2	-2
43.00 Appropriation (total)	16	9	9
70.00 Total new budget authority (gross)	16	9	9
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance: Appropriation .....	.....	4	5
73.10 New obligations	11	13	9
73.20 Total outlays (gross)	-7	-12	-11
74.40 Unpaid obligations, end of year: Obligated balance: Appropriation	4	5	3
Outlays (gross), detail:			
86.90 Outlays from new current authority	7	8	8
86.93 Outlays from current balances .....	.....	4	3
87.00 Total outlays (gross)	7	12	11
Net budget authority and outlays:			
89.00 Budget authority	16	9	9
90.00 Outlays	7	12	11

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	1996 actual	1997 est.	1998 est.
11.1 Personnel compensation: Full-time permanent	5	6	6
12.1 Civilian personnel benefits	1	2	2
25.2 Other services	3	4	
99.5 Below reporting threshold	2	1	1
99.9 Total obligations	11	13	9

Personnel Summary

Identification code 12-0115-0-1-352	1996 actual	1997 est.	1998 est.
1001 Total compensable workyears: Full-time equivalent employment	66	81	83

FUND FOR RURAL AMERICA

Program and Financing (in millions of dollars)

Identification code 12-0012-0-1-999	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Rural development activities		48	
00.02 Research, extension and education grants		43	
00.03 Other		9	
10.00 Total obligations		100	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		100	
23.95 New obligations		-100	
New budget authority (gross), detail:			
60.00 Appropriation		100	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation			75
73.10 New obligations		100	
73.20 Total outlays (gross)		-25	-40
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation		75	35
Outlays (gross), detail:			
86.97 Outlays from new permanent authority		25	
86.98 Outlays from permanent balances			40
87.00 Total outlays (gross)		25	40
Net budget authority and outlays:			
89.00 Budget authority		100	
90.00 Outlays		25	40

Summary of Budget Authority and Outlays

(in millions of dollars)

	1996 actual	1997 est.	1998 est.
Enacted/requested:			
Budget Authority		100	
Outlays		25	40
Legislative proposal, subject to PAYGO:			
Budget Authority			100
Outlays			25
Total:			
Budget Authority		100	100

Outlays	25	65
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Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-0012-0-1-999	1996 actual	1997 est.	1998 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Section 502 housing loans		141	
1150 Direct Farm Ownership Loans		10	
1150 Direct water and waste disposal loans		8	
1150 Rural housing for domestic farm labor loans		2	
1159 Total direct loan levels		161	
Direct loan subsidy (in percent):			
1320 Section 502 housing loans		14.18	0.00
1320 Direct Farm Ownership Loans		21.03	0.00
1320 Direct water and waste disposal loans		9.02	0.00
1320 Rural housing for domestic farm labor loans		47.77	0.00
1329 Weighted average subsidy rate		14.72	0.00
Direct loan subsidy budget authority:			
1330 Section 502 housing loans		20	
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		24	
Direct loan subsidy outlays:			
1340 Section 502 housing loans		16	4
1340 Direct Farm Ownership Loans		2	
1340 Direct water and waste disposal loans			
1340 Rural housing for domestic farm labor loans			1
1349 Total subsidy outlays		18	5

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 provides that \$100 million be made available on January 1, 1997 for use by the Fund. The Secretary of Agriculture is authorized by the 1996 Act to allocate 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 plans to use \$48 million of the available funding to support rural development activities including Water 2000, Section 502 Single Family Housing Loans, the Distance Learning/Medical Link programs and other rural development loans and grants. Another \$43 million will be used to provide research, extension, and education grants designed to: 1) increase international competitiveness, profitability and efficiency; 2) enhance the economic standing of rural communities; and 3) improve environmental stewardship. Finally, \$9 million will be used to fund a research project examining the special telecommunications needs of rural America, and to support additional grants for Outreach for Socially Disadvantaged Producers and additional direct ownership loans for beginning farmers.

Object Classification (in millions of dollars)

Identification code 12-0012-0-1-999	1996 actual	1997 est.	1998 est.
25.1 Advisory and assistance services		1	
41.0 Grants, subsidies, and contributions		99	
99.9 Total obligations		100	

FUND FOR RURAL AMERICA
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-0012-4-1-999	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Rural development activities			33
00.02 Research, extension and education grants			33
00.03 Undistributed			34
10.00 Total obligations (object class 41.0)			100
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			100
23.95 New obligations			-100
New budget authority (gross), detail:			
60.00 Appropriation			100
Change in unpaid obligations:			
73.10 New obligations			100
73.20 Total outlays (gross)			-25
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation			75
Outlays (gross), detail:			
86.97 Outlays from new permanent authority			25
Net budget authority and outlays:			
89.00 Budget authority			100
90.00 Outlays			25

The Federal Agriculture Improvement and Reform Act of 1996 (1996 Act) authorized funding for the Fund for Rural America in 1997, 1999, and 2000. The Budget proposes to shift the \$100 million available in 2000 to 1998 in order to facilitate more consistent and efficient program delivery.

Trust Funds

GIFTS AND BEQUESTS

Unavailable Collections (in millions of dollars)

Identification code 12-8203-0-7-352	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year			1
Receipts:			
02.01 Gifts and bequests	1	2	2
04.00 Total: Balances and collections	1	2	3
Appropriation:			
05.01 Gifts and bequests	-1	-1	-1
07.99 Total balance, end of year		1	2

Program and Financing (in millions of dollars)

Identification code 12-8203-0-7-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 32.0)	1	1	1
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	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 balance	1	1	1
New budget authority (gross), detail:			
60.27 Appropriation (trust fund, indefinite)	1	1	1
Change in unpaid obligations:			
73.10 New obligations	1	1	1

73.20 Total outlays (gross)	-1	-1	-1
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	1	1	1
Net budget authority and outlays:			
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 Agricultural 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, **[\$4,231,000] \$5,308,000.**

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 \$55,000 is for employment under 5 U.S.C. 3109, **\$1,100,000.**

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] \$13,359,000.**

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] \$5,918,000.**

OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION

For necessary expenses of the Office of Small and Disadvantaged Business Utilization, 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, **\$795,000. (7 U.S.C. 2201, 2202; 42 U.S.C. 2000d; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.)**

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, **\$275,000.**

Program and Financing (in millions of dollars)

Identification code 12-0705-0-1-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Chief Economist	4	4	5
00.02 Commission on 21st Century Production Agriculture			1
00.03 National Appeals Division	12	12	13
00.04 Budget and Program Analysis	6	6	6
00.05 Small and Disadvantaged Business Utilization			1
10.00 Total obligations	22	22	27

General and special funds—Continued

OFFICE OF THE CHIEF INFORMATION OFFICER—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-0705-0-1-352	1996 actual	1997 est.	1998 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	23	22	27
23.95 New obligations	-22	-22	-27
New budget authority (gross), detail:			
40.00 Appropriation	22	22	27
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	1	3	3
73.10 New obligations	22	22	27
73.20 Total outlays (gross)	-19	-22	-27
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	3	3	3
Outlays (gross), detail:			
86.90 Outlays from new current authority	18	19	24
86.93 Outlays from current balances	1	3	3
87.00 Total outlays (gross)	19	22	27
Net budget authority and outlays:			
89.00 Budget authority	22	22	27
90.00 Outlays	19	22	27

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

	1996 actual	1997 est.	1998 est.
World Agricultural Supply and Demand Estimates Reports issued	12	12	12
Weekly Weather and Crop Bulletin issued	52	52	52
OCE Home Page Electronic Hits	NA	35,000	50,000
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) a review of the future of production agriculture and the appropriate role of the Federal government.

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

	1996 actual	1997 est.	1998 est.
Regional Training Sessions	0	3	0
Training Briefs Issued	NA	4	6
National Training Conferences Held	1	0	1
Appeals assigned per hearing officer per month	5.76	6.15	6.60
Average time to issue appeal determinations (days)	76.84	75.0	75.0
Travel dollars per hearing officer	1,880	1,800	1,700

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.

The Office of Small and Disadvantaged Business Utilization oversees direction and implementation of Sections 8 and 15 of the Small Business Act and oversees procurement to assure maximum participation of small and small disadvantaged businesses.

WORKLOAD INDICATORS¹

	1996 actual	1997 est.	1998 est.
Subcontracting plans reviewed	—	—	45
Small Businesses counseled	—	—	6,200
Small Business Procurement Conferences conducted or sponsored by USDA OSDBU	—	—	2
Conferences participated in by OSDBU employees	—	—	15
Procurement Assistance Reviews conducted	—	—	4
Training conferences conducted	—	—	2

¹ 1996 and 1997 data are shown in the account "Departmental Administration."

The Office of the Chief Information Officer (OCIO) was established pursuant to the Information Technology Management Reform Act of 1996 to provide policy guidance, leadership, coordination and direction to USDA's information management and information technology investment activities in support of program delivery.

Object Classification (in millions of dollars)

Identification code 12-0705-0-1-352	1996 actual	1997 est.	1998 est.
11.1 Personnel compensation: Full-time permanent	16	17	17
12.1 Civilian personnel benefits	3	3	3
21.0 Travel and transportation of persons	—	—	1
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	1	1	2
31.0 Equipment	1	—	2
99.9 Total obligations	22	22	27

Personnel Summary

Identification code 12-0705-0-1-352	1996 actual	1997 est.	1998 est.
1001 Total compensable workyears: Full-time equivalent employment	241	257	277

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] \$4,718,000. 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, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-0014-0-1-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct program: Chief financial officer	4	4	5
01.01 Reimbursable program	1	1	1
10.00 Total obligations	5	5	6
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	5	5	6
23.95 New obligations	-5	-5	-6
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	4	4	5
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	1	1

70.00	Total new budget authority (gross)	5	5	6
Change in unpaid obligations:				
73.10	New obligations	5	5	6
73.20	Total outlays (gross)	-5	-5	-6
Outlays (gross), detail:				
86.90	Outlays from new current authority	4	4	5
86.97	Outlays from new permanent authority	1	1	1
87.00	Total outlays (gross)	5	5	6
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-1	-1	-1
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.

Object Classification (in millions of dollars)

Identification code 12-0014-0-1-352	1996 actual	1997 est.	1998 est.
Direct obligations:			
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	5	6

Personnel Summary

Identification code 12-0014-0-1-352	1996 actual	1997 est.	1998 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	53	57	61
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	13	13	13

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing (in millions of dollars)

Identification code 12-4609-0-4-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Operating expenses:			
00.01 Supply and other central services	19	21	21
00.02 Video and other visual information services	5	5	5
00.03 National Finance Center	133	139	140
00.04 ADP systems	40	46	44
00.91 Total operating expenses	197	211	210
Purchase of equipment:			
01.01 Supply and other central services	1	1	1
01.03 National Finance Center	14	10	9
01.04 ADP systems	4	7	8
01.91 Total purchase of equipment	19	17	18

10.00	Total obligations	215	228	228
Budgetary resources available for obligation:				
21.90	Unobligated balance available, start of year: Fund balance	25	12	12
22.00	New budget authority (gross)	197	228	228
22.10	Resources available from recoveries of prior year obligations	5		
23.90	Total budgetary resources available for obligation	227	240	240
23.95	New obligations	-215	-228	-228
24.90	Unobligated balance available, end of year: Fund balance	12	12	10
New budget authority (gross), detail:				
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash)	163	228	228
68.10	Change in orders on hand from Federal sources	34		
68.90	Spending authority from offsetting collections (total)	197	228	228
70.00	Total new budget authority (gross)	197	228	228
Change in unpaid obligations:				
Unpaid obligations, start of year:				
72.90	Obligated balance: Fund balance	25	-8	-8
72.95	Orders on hand from Federal sources	23	57	57
72.99	Total unpaid obligations, start of year	48	49	49
73.10	New obligations	215	228	228
73.20	Total outlays (gross)	-211	-228	-228
73.45	Adjustments in unexpired accounts	-5		
Unpaid obligations, end of year:				
74.90	Obligated balance: Fund balance	-8	-8	-8
74.95	Orders on hand from Federal sources	57	57	57
74.99	Total unpaid obligations, end of year	49	49	49
Outlays (gross), detail:				
86.97	Outlays from new permanent authority	163	228	228
86.98	Outlays from permanent balances	48		
87.00	Total outlays (gross)	211	228	228
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-163	-228	-228
88.95	Change in orders on hand from Federal sources	-34		
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	47		

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 capital consists of \$400 thousand appropriated (7 U.S.C. 2235), and subsequent appropriations of \$31,838 thousand as of September 30, 1996. 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	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	51	4	4	4
Investments in US securities:				
1106 Receivables, net	22	50	50	50
1803 Other Federal assets: Property, plant and equipment, net	43	55	55	55
1999 Total assets	116	109	109	109
LIABILITIES:				
2101 Federal liabilities: Accounts payable	3	3	3	3
Non-Federal liabilities:				
2201 Accounts payable	26	23	23	23

Intragovernmental funds—Continued

WORKING CAPITAL FUND—Continued

Balance Sheet (in millions of dollars)—Continued

Identification code 12-4609-0-4-352	1995 actual	1996 actual	1997 est.	1998 est.
2207 Other	16	16	16	16
2999 Total liabilities	45	42	42	42
NET POSITION:				
3300 Cumulative results of operations	71	67	67	67
3999 Total net position	71	67	67	67
4999 Total liabilities and net position	116	109	109	109

Object Classification (in millions of dollars)

Identification code 12-4609-0-4-352	1996 actual	1997 est.	1998 est.
Personnel compensation:			
11.1 Full-time permanent	77	74	77
11.3 Other than full-time permanent	3	2	2
11.5 Other personnel compensation	1	2	2
11.9 Total personnel compensation	81	78	81
12.1 Civilian personnel benefits	14	15	15
21.0 Travel and transportation of persons	2	2	2
22.0 Transportation of things	1	1	1
23.1 Rental payments to GSA	3	4	4
23.2 Rental payments to others	2	2	2
23.3 Communications, utilities, and miscellaneous charges	19	29	29
24.0 Printing and reproduction	1	1	1
25.2 Other services	63	68	64
26.0 Supplies and materials	7	7	7
31.0 Equipment	22	21	22
99.0 Subtotal, reimbursable obligations	215	228	228
99.9 Total obligations	215	228	228

Personnel Summary

Identification code 12-4609-0-4-352	1996 actual	1997 est.	1998 est.
Total compensable workyears:			
2001 Full-time equivalent employment	2,008	2,013	1,998
2005 Full-time equivalent of overtime and holiday hours	68	60	60

DEPARTMENTAL ADMINISTRATION

Federal Funds

General and special funds:

DEPARTMENTAL ADMINISTRATION
(INCLUDING TRANSFERS OF FUNDS)

For Departmental Administration, [\$30,529,000] \$29,811,000, 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, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-0120-0-1-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.08 Direct program: Departmental Administration	28	31	30
01.01 Reimbursable program	13	14	13
10.00 Total obligations	41	45	43

Budgetary resources available for obligation:			
22.00 New budget authority (gross)	41	45	43
23.95 New obligations	-41	-45	-43

New budget authority (gross), detail:

Current:			
40.00 Appropriation	28	31	30
Permanent:			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	9	14	13
68.10 Change in orders on hand from Federal sources	-2	-12	
68.15 Adjustment to orders on hand from Federal sources	6	12	
68.90 Spending authority from offsetting collections (total)	13	14	13
70.00 Total new budget authority (gross)	41	45	43

Change in unpaid obligations:

Unpaid obligations, start of year:			
72.40 Obligated balance: Appropriation	8		1
72.95 Orders on hand from Federal sources	14	12	
72.99 Total unpaid obligations, start of year	22	12	1
73.10 New obligations	41	45	43
73.20 Total outlays (gross)	-44	-44	-44
73.40 Adjustments in expired accounts	-7	-12	
Unpaid obligations, end of year:			
74.40 Obligated balance: Appropriation		1	
74.95 Orders on hand from Federal sources	12		
74.99 Total unpaid obligations, end of year	12	1	

Outlays (gross), detail:

86.90 Outlays from new current authority	28	30	30
86.93 Outlays from current balances	7		1
86.97 Outlays from new permanent authority	5	14	13
86.98 Outlays from permanent balances	4		
87.00 Total outlays (gross)	44	44	44

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-9	-14	-13
88.95 Change in orders on hand from Federal sources	2	12	
88.96 Adjustment to orders on hand from Federal sources	-6	-12	

Net budget authority and outlays:

89.00 Budget authority	28	31	30
90.00 Outlays	35	30	30

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, ADP and telecommunications management, civil rights and equal opportunity, 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.

**OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION
WORKLOAD INDICATORS¹**

	1996 actual	1997 est.	1998 est.
Subcontracting plans reviewed	40	40	
Small businesses counseled	6,100	6,200	

Small business procurement conferences conducted or sponsored by USDA/OSDBU	2	2	
Conferences participated in by OSDBU employees	15	15	
Procurement assistance reviews conducted	4	4	
Training conferences conducted	3	3	

¹ Consistent with the Administration's budget request, 1998 data is shown in the account "Executive Operations".

Object Classification (in millions of dollars)

Identification code 12-0120-0-1-352	1996 actual	1997 est.	1998 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	19	23	22
12.1 Civilian personnel benefits	4	4	4
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.3 Purchases of goods and services from Government accounts	1	1	1
26.0 Supplies and materials	1		
31.0 Equipment	1		
99.0 Subtotal, direct obligations	27	29	28
99.0 Reimbursable obligations	12	12	12
99.5 Below reporting threshold	2	4	3
99.9 Total obligations	41	45	43

Personnel Summary

Identification code 12-0120-0-1-352	1996 actual	1997 est.	1998 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	365	362	345
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	83	73	73

**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, as amended, 42 U.S.C. 9607(g), and section 6001 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6961, **[\$15,700,000] \$25,000,000**, 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, 1997.)

Program and Financing (in millions of dollars)

Identification code 12-0500-0-1-304	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct program	15	18	25
10.00 Total obligations	15	18	25
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year: Uninvested balance	1	2	
22.00 New budget authority (gross)	16	16	25
23.90 Total budgetary resources available for obligation	17	18	25
23.95 New obligations	-15	-18	-25
24.40 Unobligated balance available, end of year: Uninvested balance	2		
New budget authority (gross), detail:			
40.00 Appropriation	16	16	25
Change in unpaid obligations:			
74.40 Unpaid obligations, start of year: Obligated balance: Appropriation	15	15	16
73.10 New obligations	15	18	25
73.20 Total outlays (gross)	-15	-16	-22

74.40 Unpaid obligations, end of year: Obligated balance: Appropriation	15	16	19
Outlays (gross), detail:			
86.90 Outlays from new current authority	15	11	17
86.93 Outlays from current balances		5	5
87.00 Total outlays (gross)	15	16	22

Net budget authority and outlays:

89.00 Budget authority	16	16	25
90.00 Outlays	15	16	22

Under the Comprehensive Environmental Response, Compensation, and Liability Act, the Resource Conservation and Recovery Act and the Pollution Prevention Act of 1990, 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

	1996 actual	1997 est.	1998 est.
OGC'S number of new and pending cases reviewed/total number of new and pending projects (number)	175	275	310
Potential responsible parties settled	4	10	10
New sites identified for investigation (number)	198	150	204
Investigations completed	90	170	77
Number of Underground Storage Tanks (USTs) planned for removal vs. number of USTs removed	31/46	30/30	10/10
Leaking Underground Storage Tanks (USTs) ongoing cleanups vs. number of leaking USTs completed	39/14	21/21	9/9
HWM cleanup projects planned vs. number of projects completed	51/62	90/90	80/72
Natural Resource Damages (NRD) assessments initiated vs. number of assessments completed	2/1	3/2	4/2

The performance indicators in the 1998 request reflect more complex and work intensive projects.

Object Classification (in millions of dollars)

Identification code 12-0500-0-1-304	1996 actual	1997 est.	1998 est.
25.2 Direct obligations: Other services	14	15	24
99.5 Below reporting threshold	1	3	1
99.9 Total obligations	15	18	25

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, **[\$120,548,000] \$123,385,000**: *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, **[\$23,505,000] \$5,000,000**, 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 **[\$144,053,000] \$131,085,000**. (7 U.S.C. 2201, 2202, 2208; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.)

General and special funds—Continued

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

Program and Financing (in millions of dollars)

Identification code 12-0117-0-1-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Direct program:			
00.01 Rental payments to GSA: Non-recurring repairs	91	101	98
00.02 Building operations and maintenance	18	25	25
00.03 Beltsville renovation and repair	6	3	.....
00.04 Strategic space plan	40	34	5
00.05 Relocation expenses .....	.....	.....	3
00.91 Total direct program	155	163	131
01.01 Reimbursable program	4	5	5
10.00 Total obligations	159	168	136
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	38	19	.....
22.00 New budget authority (gross)	140	149	136
23.90 Total budgetary resources available for obligation	177	168	136
23.95 New obligations	-159	-168	-136
24.40 Unobligated balance available, end of year:			
Uninvested balance	19	.....	.....
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	136	144	131
Permanent:			
68.00 Spending authority from offsetting collections: Off-			
setting collections (cash)	4	5	5
70.00 Total new budget authority (gross)	140	149	136
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	9	47	71
73.10 New obligations	159	168	136
73.20 Total outlays (gross)	-120	-144	-155
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	47	71	52
Outlays (gross), detail:			
86.90 Outlays from new current authority	116	114	107
86.93 Outlays from current balances .....	.....	25	43
86.97 Outlays from new permanent authority	4	5	5
87.00 Total outlays (gross)	120	144	155
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-4	-5	-5
Net budget authority and outlays:			
89.00 Budget authority	136	144	131
90.00 Outlays	116	139	150

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 1998 request provides additional funding for the South Building renovation and for one-time expenses associated with the relocation of USDA agencies.

WORKLOAD INDICATORS

	1996 actual	1997 est.	1998 est.
Indicators:			
Maintenance and Repairs:			
Minor Repairs (number)	361	300	300
Maintenance (hours)	21.9	19.0	19.0
Service Calls (number)	10.3	11.5	11.5

Object Classification (in millions of dollars)

Identification code 12-0117-0-1-352	1996 actual	1997 est.	1998 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	4	4	4
12.1 Civilian personnel benefits	1	1	1
23.1 Rental payments to GSA	91	100	101
23.3 Communications, utilities, and miscellaneous			
charges	2	6	6
25.2 Other services	7	2	2
25.3 Purchases of goods and services from Government			
accounts	1	2	2
25.4 Operation and maintenance of facilities	49	48	15
99.0 Subtotal, direct obligations	155	163	131
99.0 Reimbursable obligations	4	5	5
99.9 Total obligations	159	168	136

Personnel Summary

Identification code 12-0117-0-1-352	1996 actual	1997 est.	1998 est.
1001 Total compensable workyears: Full-time equivalent			
employment	82	83	83

ADVISORY COMMITTEES (USDA)

Program and Financing (in millions of dollars)

Identification code 12-0118-0-1-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 USDA advisory committees	1	.....	.....
10.00 Total obligations (object class 99.5)	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	.....	.....
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	1	.....	.....
73.10 New obligations	1	.....	.....
73.20 Total outlays (gross)	-1	.....	.....
Outlays (gross), detail:			
86.90 Outlays from new current authority	1	.....	.....
Net budget authority and outlays:			
89.00 Budget authority	1	.....	.....
90.00 Outlays	1	.....	.....

The Federal Advisory Committee Act (Public Law 92-463) was passed in 1972 to recognize a means by which committees and similar groups provide expert advice to officers of the Federal Government. This account provides for direction and financial support of all authorized Department of Agriculture advisory committee activities other than those included in the Forest Service or financed by other than appropriated funds.

Beginning in 1997, USDA agencies are financing the operation of advisory committees from their own appropriations and funds.

Personnel Summary

Identification code 12-0118-0-1-352	1996 actual	1997 est.	1998 est.
1001 Total compensable workyears: Full-time equivalent employment	15		

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] \$8,279,000**, 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, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-0150-0-1-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct program: Public affairs	8	8	8
01.01 Reimbursable program	4	1	1
10.00 Total obligations	12	9	9
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	12	9	9
23.95 New obligations	-12	-9	-9
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	8	8	8
Permanent:			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	3	1	1
68.10 Change in orders on hand from Federal sources	-1		
68.15 Adjustment to orders on hand from Federal sources	2		
68.90 Spending authority from offsetting collections (total)	4	1	1
70.00 Total new budget authority (gross)	12	9	9
Change in unpaid obligations:			
72.95 Unpaid obligations, start of year: Orders on hand from Federal sources	4	3	3
73.10 New obligations	12	9	9
73.20 Total outlays (gross)	-13	-9	-9
74.95 Unpaid obligations, end of year: Orders on hand from Federal sources	3	3	3
Outlays (gross), detail:			
86.90 Outlays from new current authority	7	8	8
86.93 Outlays from current balances	2		
86.97 Outlays from new permanent authority	4	1	1
87.00 Total outlays (gross)	13	9	9
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-3	-1	-1
88.95 Change in orders on hand from Federal sources	1		
88.96 Adjustment to orders on hand from Federal sources	-2		
Net budget authority and outlays:			
89.00 Budget authority	8	8	8
90.00 Outlays	9	8	8

Public affairs.—This office provides general direction, leadership, and coordination of the Department's information pro-

gram. 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.

WORKLOAD INDICATORS

	1996 actual	1997 est.	1998 est.
Media organizations receiving USDA Information	2,000	2,110	2,020
Broadcasters served by USDA products	4,994	5,004	5,014
Tours conducted by USDA Visitors Center	2,100	2,200	2,300
Photographic images converted to CD	6,500	2,500	2,500
Monthly meetings with Public Affairs Directors to share information on communications management	18	24	30

Object Classification (in millions of dollars)

Identification code 12-0150-0-1-352	1996 actual	1997 est.	1998 est.
Direct obligations:			
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	4	1	1
99.9 Total obligations	12	9	9

Personnel Summary

Identification code 12-0150-0-1-352	1996 actual	1997 est.	1998 est.
1001 Total compensable workyears: Full-time equivalent employment	98	95	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, as amended, **[\$63,028,000] \$65,259,000**, 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, as amended, 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, as amended, 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, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-0900-0-1-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct program	64	63	65
01.01 Reimbursable program	2	2	2
10.00 Total obligations	66	65	67

General and special funds—Continued

**OFFICE OF THE INSPECTOR GENERAL—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued**

Program and Financing (in millions of dollars)—Continued

Identification code 12-0900-0-1-352	1996 actual	1997 est.	1998 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	66	65	67
23.95 New obligations	-66	-65	-67
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	64	63	65
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	2	2	2
70.00 Total new budget authority (gross)	66	65	67
Change in unpaid obligations:			
Unpaid obligations, start of year: Obligated balance:			
72.40 Appropriation	6	8	8
73.10 New obligations	66	65	67
73.20 Total outlays (gross)	-64	-65	-67
Unpaid obligations, end of year: Obligated balance:			
74.40 Appropriation	8	8	8
Outlays (gross), detail:			
86.90 Outlays from new current authority	58	57	59
86.93 Outlays from current balances	4	6	6
86.97 Outlays from new permanent authority	2	2	2
87.00 Total outlays (gross)	64	65	67
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-2	-2	-2
Net budget authority and outlays:			
89.00 Budget authority	64	63	65
90.00 Outlays	63	63	65

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.

Object Classification (in millions of dollars)

Identification code 12-0900-0-1-352	1996 actual	1997 est.	1998 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	37	38	40
11.5 Other personnel compensation	4	4	4
11.9 Total personnel compensation	41	42	43
12.1 Civilian personnel benefits	11	11	11
21.0 Travel and transportation of persons	5	5	5
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	2	1	1
99.0 Subtotal, direct obligations	60	60	62
99.0 Reimbursable obligations	2	2	2
99.5 Below reporting threshold	4	3	3

99.9 Total obligations	66	65	67
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Personnel Summary

Identification code 12-0900-0-1-352	1996 actual	1997 est.	1998 est.
Total compensable workyears:			
1001 Full-time equivalent employment	754	754	762
1005 Full-time equivalent of overtime and holiday hours	30	30	30

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, **[\$27,749,000] \$29,449,000.** (7 U.S.C. 2201; 2202, 2214a; Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.)

Program and Financing (in millions of dollars)

Identification code 12-2300-0-1-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct program	28	28	29
01.01 Reimbursable program	2	2	1
10.00 Total obligations	30	30	30
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	30	30	30
23.95 New obligations	-30	-30	-30
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	28	28	29
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	2	2	1
70.00 Total new budget authority (gross)	30	30	30
Change in unpaid obligations:			
Unpaid obligations, start of year: Obligated balance:			
72.40 Appropriation	1	1	1
73.10 New obligations	30	30	30
73.20 Total outlays (gross)	-30	-29	-29
Unpaid obligations, end of year: Obligated balance:			
74.40 Appropriation	1	1	1
Outlays (gross), detail:			
86.90 Outlays from new current authority	27	27	27
86.93 Outlays from current balances	1	1	1
86.97 Outlays from new permanent authority	2	2	1
87.00 Total outlays (gross)	30	29	29
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-2	-2	-1
Net budget authority and outlays:			
89.00 Budget authority	28	28	29
90.00 Outlays	27	27	28

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 per-

sonnel of the Department are under the supervision of the General Counsel.

Object Classification (in millions of dollars)

Identification code 12-2300-0-1-352	1996 actual	1997 est.	1998 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	20	21	23
12.1 Civilian personnel benefits	4	4	4
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	2	1	1
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	1
99.0 Subtotal, direct obligations	28	28	29
99.0 Reimbursable obligations	2	2	1
99.5 Below reporting threshold	1	1	1
99.9 Total obligations	30	30	30

Personnel Summary

Identification code 12-2300-0-1-352	1996 actual	1997 est.	1998 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	335	340	360
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	18	13	10

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 Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, **[\$53,109,000] \$54,310,000. 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, 1997.)

Program and Financing (in millions of dollars)

Identification code 12-1701-0-1-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct program	53	53	54
01.01 Reimbursable program	7	4	4
10.00 Total obligations	60	57	58
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	60	57	58
23.95 New obligations	-60	-57	-58
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	53	53	54
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	7	4	4
70.00 Total new budget authority (gross)	60	57	58
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance: Appropriation	6	9	9
73.10 New obligations	60	57	58
73.20 Total outlays (gross)	-57	-57	-58
74.40 Unpaid obligations, end of year: Obligated balance: Appropriation	9	9	9

Outlays (gross), detail:

86.90 Outlays from new current authority	44	46	47
86.93 Outlays from current balances	6	7	7
86.97 Outlays from new permanent authority	7	4	4
87.00 Total outlays (gross)	57	57	58

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-7	-4	-4

Net budget authority and outlays:

89.00 Budget authority	53	53	54
90.00 Outlays	50	53	54

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 1998 request includes funding for two studies: one for the cost and benefits of resource-conserving production practices and one for GPR measurement tools.

Object Classification (in millions of dollars)

Identification code 12-1701-0-1-352	1996 actual	1997 est.	1998 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	30	31	32
11.3 Other than full-time permanent	1	1	1
11.9 Total personnel compensation	31	32	33
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	1	1	1
25.3 Purchases of goods and services from Government accounts	6	6	6
25.5 Research and development contracts	4	4	4
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	1
99.0 Subtotal, direct obligations	52	53	54
99.0 Reimbursable obligations	7	4	4
99.5 Below reporting threshold	1	1	1
99.9 Total obligations	60	57	58

Personnel Summary

Identification code 12-1701-0-1-352	1996 actual	1997 est.	1998 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	552	552	552
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	39	39	39

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 notwithstanding 13 U.S.C. 142(a-b), as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, **[\$100,221,000] \$119,877,000,** of which up to **[\$17,500,000] \$36,327,000** shall be available until expended for the Census of Agri-

General and special funds—Continued

NATIONAL AGRICULTURAL STATISTICS SERVICE—Continued

culture: *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. (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, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-1801-0-1-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Direct program:			
00.01 Agricultural estimates	77	79	80
00.02 Statistical research and service	4	4	4
00.03 Census of Agriculture		18	36
00.91 Total direct program	81	100	120
01.01 Reimbursable program	9	10	10
10.00 Total obligations	90	110	130
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	90	110	130
23.95 New obligations	-90	-110	-130
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	81	100	120
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	9	10	10
70.00 Total new budget authority (gross)	90	110	130
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	11	14	18
73.10 New obligations	90	110	130
73.20 Total outlays (gross)	-87	-107	-128
73.40 Adjustments in expired accounts	1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	14	18	20
Outlays (gross), detail:			
86.90 Outlays from new current authority	69	89	106
86.93 Outlays from current balances	9	8	12
86.97 Outlays from new permanent authority	9	10	10
87.00 Total outlays (gross)	87	107	128
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-7	-8	-8
88.40 Non-Federal sources	-2	-2	-2
88.90 Total, offsetting collections (cash)	-9	-10	-10
Net budget authority and outlays:			
89.00 Budget authority	81	100	120
90.00 Outlays	78	97	118

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 arrange-

ments with State agencies provide additional State and county data. The 1998 program includes an increase of \$540,000 for the development of standardized performance measurement tools for GPRA and a decrease of \$1 million for list development and maintenance.

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. Due to the cyclical nature of the program, an increase of \$18,827,000 is requested to conduct the census in 1998.

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		
	1996 actual	1997 est.	1998 est.
Percentage of agricultural cash receipts covered by NASS's current production statistics program	91.0	93.0	96.0
Percentage of reports issued that meet scheduled release date	99.9	99.9	100.0
Timeliness of report releases	25.0 days	24.5 days	24.0 days

Object Classification (in millions of dollars)

Identification code 12-1801-0-1-352	1996 actual	1997 est.	1998 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	40	44	48
11.3 Other than full-time permanent	1	1	5
11.9 Total personnel compensation	41	45	53
12.1 Civilian personnel benefits	9	10	12
21.0 Travel and transportation of persons	1	1	1
23.3 Communications, utilities, and miscellaneous charges	3	3	4
24.0 Printing and reproduction		1	1
25.2 Other services	18	19	23
25.3 Purchases of goods and services from Government accounts	4	14	20
25.7 Operation and maintenance of equipment	1	1	1
26.0 Supplies and materials	1	1	1
31.0 Equipment	2	5	3
99.0 Subtotal, direct obligations	80	100	119
99.0 Reimbursable obligations	8	9	8
99.5 Below reporting threshold	3	2	3
99.9 Total obligations	90	110	130

Personnel Summary

Identification code 12-1801-0-1-352	1996 actual	1997 est.	1998 est.
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment	955	1,032	1,202
1005 Full-time equivalent of overtime and holiday hours	1	1	1
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	92	98	98

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 pro-

vided 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, [\$716,826,000] \$726,797,000: *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 greenhouses 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 limitations on alterations contained in this Act shall not apply to modernization or replacement of existing facilities at Beltsville, Maryland: *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 all rights and title of the United States in the property known as the National Agricultural Water Quality Laboratory of the United States Department of Agriculture, consisting of approximately 9.161 acres in the city of Durant, Oklahoma, including facilities and fixed equipment, shall be conveyed to Southeastern Oklahoma State University].

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. (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, 1997.)

Program and Financing (in millions of dollars)

Identification code 12–1400–0–1–352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Direct program:			
00.01 Research on soil and water conservation	87	85	82
00.02 Research on plant science	234	243	246
00.03 Research on animal science	113	115	116
00.04 Research on commodity conversion and delivery	140	143	141
00.05 Human nutrition research	60	64	75
00.06 Integration of agricultural systems	33	30	29
00.07 Repair and maintenance of facilities	18	18	18
00.08 Contingencies	1	1	1
00.11 Agricultural Information and Library Science	20	18	19
00.91 Total direct program	706	717	727
01.01 Reimbursable program	37	42	42
10.00 Total obligations	743	759	769
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	747	759	769
22.30 Unobligated balance expiring	–4		
23.90 Total budgetary resources available for obligation	743	759	769
23.95 New obligations	–743	–759	–769
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	710	717	727
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	37	42	42
70.00 Total new budget authority (gross)	747	759	769
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance: Appropriation	184	192	194

73.10 New obligations	743	759	769
73.20 Total outlays (gross)	–739	–757	–766
73.40 Adjustments in expired accounts	4		
74.40 Unpaid obligations, end of year: Obligated balance: Appropriation	192	194	197
Outlays (gross), detail:			
86.90 Outlays from new current authority	558	574	582
86.93 Outlays from current balances	144	141	142
86.97 Outlays from new permanent authority	37	42	42
87.00 Total outlays (gross)	739	757	766
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	–31	–36	–36
88.40 Non-Federal sources	–6	–6	–6
88.90 Total, offsetting collections (cash)	–37	–42	–42
Net budget authority and outlays:			
89.00 Budget authority	710	717	727
90.00 Outlays	702	715	724

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 1998, the Service proposes increased emphases for critical research needs in agriculture, such as: food safety, integrated pest management and biocontrol of pests, human nutrition, genetic resources, emerging diseases and exotic pests, grazinglands, and restoration of the South Florida Everglades ecosystem. The Service expects to submit 70 new patent applications, participate in 75 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 1998.

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 improve 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 com-

General and special funds—Continued

AGRICULTURAL RESEARCH SERVICE—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

position 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	1996 actual	1997 est.	1998 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	296	312	315
11.3 Other than full-time permanent	22	23	23
11.5 Other personnel compensation	9	8	8
11.9 Total personnel compensation	327	343	346
12.1 Civilian personnel benefits	71	79	84
21.0 Travel and transportation of persons	13	13	13
22.0 Transportation of things	1	2	2
23.3 Communications, utilities, and miscellaneous charges	29	29	30
24.0 Printing and reproduction	1	1	1
25.1 Advisory and assistance services	1	1	1
25.2 Other services	7	12	9
25.3 Purchases of goods and services from Government accounts	3	3	3
25.4 Operation and maintenance of facilities	21	19	18
25.5 Research and development contracts	112	101	107
25.7 Operation and maintenance of equipment	9	9	9
25.8 Subsistence and support of persons	1	1	1
26.0 Supplies and materials	56	52	53
31.0 Equipment	37	35	35
32.0 Land and structures	3	3	3
41.0 Grants, subsidies, and contributions	14	14	12
99.0 Subtotal, direct obligations	706	717	727
99.0 Reimbursable obligations	37	42	42
99.9 Total obligations	743	759	769

Personnel Summary

Identification code 12-1400-0-1-352	1996 actual	1997 est.	1998 est.
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment	7,471	7,644	7,458
1005 Full-time equivalent of overtime and holiday hours	45	45	45

Reimbursable:			
2001	Total compensable workyears: Full-time equivalent employment	74	87
		87	87

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, **[\$69,100,000]** \$59,300,000, 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, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-1401-0-1-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations	25	43	47
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	74	79	105
22.00 New budget authority (gross)	30	69	59
23.90 Total budgetary resources available for obligation	104	148	164
23.95 New obligations	-25	-43	-47
24.40 Unobligated balance available, end of year:			
Uninvested balance	79	105	118
New budget authority (gross), detail:			
40.00 Appropriation	30	69	59
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	28	28	19
73.10 New obligations	25	43	47
73.20 Total outlays (gross)	-25	-52	-53
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	28	19	13
Outlays (gross), detail:			
86.90 Outlays from new current authority	2	10	9
86.93 Outlays from current balances	23	42	44
87.00 Total outlays (gross)	25	52	53
Net budget authority and outlays:			
89.00 Budget authority	30	69	59
90.00 Outlays	25	52	53

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 1998 request provides for the continuing modernization and renovation efforts at the Beltsville Agricultural Research Center, Beltsville, MD; Regional Utilization Centers at Peoria, IL; Philadelphia, PA; New Orleans, LA; and Plum Island Animal Disease Center, Greenport, NY; National Agricultural Library; and construction of new replacement laboratories at Parlier, CA; and Montpellier, France. The request also provides for construction of a new facility in Ft. Lauderdale, FL as part of the Administration's Everglades initiatives.

Object Classification (in millions of dollars)

Identification code 12-1401-0-1-352	1996 actual	1997 est.	1998 est.
25.2 Other services	21	30	33
32.0 Land and structures	2	11	12
41.0 Grants, subsidies, and contributions	1	2	2
99.5 Below reporting threshold	1		
99.9 Total obligations	25	43	47

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Unavailable Collections (in millions of dollars)

Identification code 12-8214-0-7-352	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year			
Receipts:			
02.01 Science and Education Administration contributed funds	11	15	15
Appropriation:			
05.01 Miscellaneous contributed funds	-11	-15	-15
07.99 Total balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-8214-0-7-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations	12	15	15
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	9	8	8
22.00 New budget authority (gross)	11	15	15
23.90 Total budgetary resources available for obligation	20	23	23
23.95 New obligations	-12	-15	-15
24.40 Unobligated balance available, end of year:			
Uninvested balance	8	8	8
New budget authority (gross), detail:			
60.27 Appropriation (trust fund, indefinite)	11	15	15
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	4	3	4
73.10 New obligations	12	15	15
73.20 Total outlays (gross)	-12	-13	-14
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	3	4	6
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	9	10	10
86.98 Outlays from permanent balances	3	3	4
87.00 Total outlays (gross)	12	13	14
Net budget authority and outlays:			
89.00 Budget authority	11	15	15
90.00 Outlays	12	13	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	1996 actual	1997 est.	1998 est.
11.1 Personnel compensation: Full-time permanent	3	3	3
12.1 Civilian personnel benefits	1	1	1
25.2 Other services	5	8	8
26.0 Supplies and materials	2	2	2
31.0 Equipment	1	1	1
99.9 Total obligations	12	15	15

Personnel Summary

Identification code 12-8214-0-7-352	1996 actual	1997 est.	1998 est.
1001 Total compensable workyears: Full-time equivalent employment	69	69	69

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

Federal Funds

General and special funds:

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 to carry into effect the provisions of the Hatch Act (7 U.S.C. 361a-361i); \$20,497,000 for grants for cooperative forestry research (16 U.S.C. 582a-582a7); \$27,735,000 for payments to the 1890 land-grant colleges, including Tuskegee University (7 U.S.C. 3222); **[\$49,767,000] \$10,051,000** for special grants for agricultural research (7 U.S.C. 450i(c)); **[\$11,769,000] \$24,738,000** for special grants for agricultural research on improved pest control (7 U.S.C. 450i(c)); **[\$94,203,000] \$130,000,000** for competitive research grants (7 U.S.C. 450i(b)), to remain available until expended; \$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); **[\$500,000]** 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, as amended (7 U.S.C. 3318), to remain available until expended; \$475,000 for rangeland research grants (7 U.S.C. 3331-3336); **[\$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); **[\$4,000,000] \$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); \$1,500,000 for an education grants program for Hispanic-serving Institutions (7 U.S.C. 3241); \$4,000,000 for aquaculture grants (7 U.S.C. 3322); \$8,000,000 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 **[\$10,249,000] \$2,662,000** 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, **[\$421,504,000] \$422,342,000**.

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 **[130] 103-382** (7 U.S.C. 301 note), \$4,600,000. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.*)

Unavailable Collections (in millions of dollars)

Identification code 12-1500-0-1-352	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year			
Receipts:			
02.01 Federal payment, Native American Institutions Endowment Fund	5	5	5
02.02 Earnings on investments			1
02.99 Total receipts	5	5	6
Appropriation:			
05.01 Cooperative state research activities	-5	-5	-5
07.99 Total balance, end of year			1

Program and Financing (in millions of dollars)

Identification code 12-1500-0-1-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Direct program:			
00.01 Payments under the Hatch Act	169	169	169
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	73	75	47
00.05 National research initiative competitive grants	52	139	130
00.06 Animal health and disease research	5	5	5

General and special funds—Continued

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1500-0-1-352	1996 actual	1997 est.	1998 est.
00.07 Federal administration	20	10	3
00.08 Higher education	9	21	20
00.09 Native American Institutions Endowment Fund	5	5	5
00.91 Total direct program	381	472	427
01.01 Reimbursable program	11	16	16
10.00 Total obligations	392	488	443
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance		46	
22.00 New budget authority (gross)	438	443	443
23.90 Total budgetary resources available for obligation	438	489	443
23.95 New obligations	-392	-488	-443
24.40 Unobligated balance available, end of year:			
Uninvested balance	46		
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	422	422	422
40.25 Appropriation (special fund, indefinite)	5	5	5
43.00 Appropriation (total)	427	427	427
Permanent:			
68.00 Spending authority from offsetting collections: Off-			
setting collections (cash)	11	16	16
70.00 Total new budget authority (gross)	438	443	443
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	402	322	366
73.10 New obligations	392	488	443
73.20 Total outlays (gross)	-428	-444	-440
73.40 Adjustments in expired accounts	-44		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	322	366	369
Outlays (gross), detail:			
86.90 Outlays from new current authority	209	217	217
86.93 Outlays from current balances	208	211	207
86.97 Outlays from new permanent authority	11	16	16
87.00 Total outlays (gross)	428	444	440
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-11	-16	-16
Net budget authority and outlays:			
89.00 Budget authority	427	427	427
90.00 Outlays	417	428	424

Cooperative State Research, Education, and Extension Service participates in a nationwide system of agricultural research 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/biological control and pesticide clearance. Funding is also proposed for pest management alternatives, 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 pesticide clearance 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 1998, the Agency expects to complete 300 conventional pesticide registration tolerance packages and 30 biopesticide registration packages. A 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, rural development centers, aquaculture centers, and supplemental and alternative crops.

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 addressing 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 1998, the requested increase will be targeted to expand research to help reduce the incidence of food borne illness caused by microbiological pathogens (\$4 million), improve environmental quality (\$10 million), and to increase research on the genetic enhancement of plants (\$22 million).

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 for-

mula 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 a 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	1996 actual	1997 est.	1998 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	11	12	12
12.1 Civilian personnel benefits	2	2	2
21.0 Travel and transportation of persons	1	1	1
25.3 Purchases of goods and services from Government accounts	2	2	2
26.0 Supplies and materials	1	1	1
41.0 Grants, subsidies, and contributions	364	454	409
99.0 Subtotal, direct obligations	381	472	427
99.0 Reimbursable obligations	11	16	16
99.9 Total obligations	392	488	443

Personnel Summary

Identification code 12-1500-0-1-352	1996 actual	1997 est.	1998 est.
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment	184	194	195
1005 Full-time equivalent of overtime and holiday hours	2	2	2
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	9	9	9

【BUILDINGS AND FACILITIES】

【For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities and for grants to States and other eligible recipients for such purposes, as necessary to carry out the agricultural research, extension, and teaching programs of the Department of Agriculture, where not otherwise provided, \$61,591,000, to remain available until expended (7 U.S.C. 2209b).】 (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-1501-0-1-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations	60	69	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	10	7	
22.00 New budget authority (gross)	58	62	
23.90 Total budgetary resources available for obligation	68	69	
23.95 New obligations	-60	-69	
24.40 Unobligated balance available, end of year:			
Uninvested balance	7		
New budget authority (gross), detail:			
40.00 Appropriation	58	62	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	156	185	194
73.10 New obligations	60	69	
73.20 Total outlays (gross)	-31	-60	-61
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	185	194	133
Outlays (gross), detail:			
86.90 Outlays from new current authority	2	3	
86.93 Outlays from current balances	29	57	61
87.00 Total outlays (gross)	31	60	61
Net budget authority and outlays:			
89.00 Budget authority	58	62	
90.00 Outlays	31	60	61

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 1998.

Object Classification (in millions of dollars)

Identification code 12-1501-0-1-352	1996 actual	1997 est.	1998 est.
11.1 Personnel compensation: Full-time permanent	1	1	
25.2 Other services	2	1	
41.0 Grants, subsidies, and contributions	57	67	
99.9 Total obligations	60	69	

Personnel Summary

Identification code 12-1501-0-1-352	1996 actual	1997 est.	1998 est.
1001 Total compensable workyears: Full-time equivalent employment	10	10	

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, as amended, 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; \$2,000,000 for extension work at the 1994 Institutions under the Smith-Lever Act (7 U.S.C. 343(b)(3)); payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, \$58,695,000; payments for the pest management program under section 3(d) of the Act, \$10,783,000; 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 sec-

General and special funds—Continued

EXTENSION ACTIVITIES—Continued

tion 1447 of Public Law 95–113, as amended (7 U.S.C. 3222b), \$7,549,000, 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, [\$10,733,000;] \$9,061,000; payments for the agricultural telecommunications program, as authorized by Public Law 101–624 (7 U.S.C. 5926), \$1,167,000;] \$9,061,000; payments for a pesticide applicator training program under section 3(d) of the Act, \$1,500,000; payments for youth-at-risk programs under section 3(d) of the Act, [\$9,554,000] \$11,700,000, of which \$1,700,000 is for 1890 land-grant colleges and Tuskegee University, as authorized by section 883 of Public Law 104–127; payments for a food safety program under section 3(d) of the Act, [\$2,365,000] \$4,365,000; [payments for carrying out the provisions of the Renewable Resources Extension Act of 1978, \$3,192,000;] payments for Indian reservation agents under section 3(d) of the Act, \$1,672,000; 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, 328) and Tuskegee University, [\$24,337,000] \$25,090,000; and for Federal administration and coordination including administration of the Smith-Lever Act, as amended, and the Act of September 29, 1977 (7 U.S.C. 341–349), as amended, 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, [\$12,066,000] \$5,156,000; in all, [\$425,520,000] \$417,811,000. *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, as amended, 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, 1997.*)

[For an additional amount for payments for cooperative extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321–326, 328) and Tuskegee University, \$753,000.] (*Omnibus Consolidated Appropriations Act, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12–0502–0–1–352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Direct program:			
00.01 Smith-Lever Act, 3(b) and 3(c)	268	268	268
00.02 Youth at Risk	10	10	12
00.03 Water quality	11	11	9
00.04 EFNEP	61	59	59
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	2
00.10 Ag. Telecommunications	1	1	.....
00.11 Food safety	3	2	4
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	.....
00.16 Federal Administration	12	12	5
00.18 Rural health and safety education	3	3	.....
00.19 1890 facilities (section 1447)	6	13	8
00.21 Sustainable Agriculture	3	3	3
00.22 1994 Institutions Activities .....	.....	2	2
00.91 Total direct program	426	432	418
01.01 Reimbursable program	10	25	25
10.00 Total obligations	436	457	443
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	4	6	.....
22.00 New budget authority (gross)	438	451	443
23.90 Total budgetary resources available for obligation	442	457	443

23.95 New obligations	–436	–457	–443
24.40 Unobligated balance available, end of year:			
Uninvested balance	6	.....	.....
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	428	426	418
Permanent:			
68.00 Spending authority from offsetting collections: Off-			
setting collections (cash)	10	25	25
70.00 Total new budget authority (gross)	438	451	443
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	189	212	225
73.10 New obligations	436	457	443
73.20 Total outlays (gross)	–413	–444	–445
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	212	225	223
Outlays (gross), detail:			
86.90 Outlays from new current authority	277	293	287
86.93 Outlays from current balances	126	126	133
86.97 Outlays from new permanent authority	10	25	25
87.00 Total outlays (gross)	413	444	445
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	–10	–25	–25
Net budget authority and outlays:			
89.00 Budget authority	428	426	418
90.00 Outlays	403	419	420

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) legislated formula funds, such as youth at risk, expanded food and nutrition education program (EFNEP), and food safe-

ty, provide support for the Cooperative Extension System to address identified priority issues.

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

Initiatives proposed in 1998 include funding for: sustainable agriculture education programs; increased efforts on pest management; pesticide applicator training; and support to the 1890 Institutions and Tuskegee University.

Object Classification (in millions of dollars)

Identification code 12-0502-0-1-352	1996 actual	1997 est.	1998 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	6	7	7
12.1 Civilian personnel benefits	2	2	2
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	2	2
25.3 Purchases of goods and services from Government accounts	2	2	2
31.0 Equipment	1		
41.0 Grants, subsidies, and contributions	409	416	402
99.0 Subtotal, direct obligations	426	432	418
99.0 Reimbursable obligations	10	25	25
99.9 Total obligations	436	457	443

Personnel Summary

Identification code 12-0502-0-1-352	1996 actual	1997 est.	1998 est.
1001 Total compensable workyears: Full-time equivalent employment	177	186	176

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, as amended (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, **[\$434,909,000]** \$424,491,000, of which **[\$4,500,000]** \$4,443,000 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 pur-

chase 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, as amended, and section 102 of the Act of September 21, 1944, as amended, 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 **[1997]** 1998 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 **[1997, \$98,000,000]** 1998, \$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, 1997.)

Unavailable Collections (in millions of dollars)

Identification code 12-1600-0-1-352	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year	171	89	91
Receipts:			
02.01 Agricultural quarantine inspection fees	36	135	141
04.00 Total: Balances and collections	207	224	232
Appropriation:			
05.01 Salaries and expenses	-118	-133	-141
05.99 Subtotal appropriation	-118	-133	-141
07.99 Total balance, end of year	89	91	91

Program and Financing (in millions of dollars)

Identification code 12-1600-0-1-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Direct program:			
00.01 Pest and disease exclusion	213	234	241
00.02 Plant and animal health monitoring	68	71	75
00.03 Pest and disease management programs	98	96	80
00.04 Animal care	10	10	10
00.05 Scientific and technical services	49	54	53
00.06 Contingencies	5	4	4
00.07 Emergency program funding	34	43	
00.91 Total direct program	477	512	463
01.01 Reimbursable program	39	42	43
10.00 Total obligations	516	554	506
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.40 Uninvested balance	-21	-15	-16
22.00 New budget authority (gross)	489	512	508
22.22 Unobligated balance transferred from other accounts	33	42	
23.90 Total budgetary resources available for obligation	501	539	492
23.95 New obligations	-516	-554	-506

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	1996 actual	1997 est.	1998 est.
24.40 Unobligated balance available, end of year:			
Uninvested balance	-15	-16	-14
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	332	337	324
40.20 Appropriation (special fund, definite)		98	100
40.25 Appropriation (special fund, indefinite)	118		
43.00 Appropriation (total)	450	435	424
Permanent:			
60.25 Appropriation (special fund, indefinite)		35	41
68.00 Spending authority from offsetting collections: Off-			
setting collections (cash)	39	42	43
70.00 Total new budget authority (gross)	489	512	508
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	61	69	138
73.10 New obligations	516	554	506
73.20 Total outlays (gross)	-508	-485	-509
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	69	138	135
Outlays (gross), detail:			
86.90 Outlays from new current authority	433	366	357
86.93 Outlays from current balances	40	47	69
86.97 Outlays from new permanent authority	35	72	78
86.98 Outlays from permanent balances			5
87.00 Total outlays (gross)	508	485	509
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-5	-5	-5
88.40 Non-Federal sources	-34	-37	-38
88.90 Total, offsetting collections (cash)	-39	-42	-43
Net budget authority and outlays:			
89.00 Budget authority	450	470	465
90.00 Outlays	467	443	466

Summary of Budget Authority and Outlays

(in millions of dollars)

	1996 actual	1997 est.	1998 est.
Enacted/requested:			
Budget Authority	450	470	465
Outlays	467	443	466
Legislative proposal, not subject to PAYGO:			
Budget Authority			-10
Outlays			-10
Total:			
Budget Authority	450	470	455
Outlays	467	443	456

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	1996 actual	1997 est.	1998 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	220	249	238
11.3 Other than full-time permanent	20	16	16
11.5 Other personnel compensation	12	12	11
11.9 Total personnel compensation	252	277	265
12.1 Civilian personnel benefits	55	57	52
13.0 Benefits for former personnel	1	1	1
21.0 Travel and transportation of persons	17	13	11
22.0 Transportation of things	6	5	4
23.2 Rental payments to others	4	4	3
23.3 Communications, utilities, and miscellaneous			
charges	16	18	16
24.0 Printing and reproduction	1	1	1
25.2 Other services	46	59	50
26.0 Supplies and materials	28	26	18
31.0 Equipment	21	24	18
Grants, subsidies, and contributions:			
41.0 Mexican-United States Commission for the pre-			
vention of foot-and-mouth disease	2	1	1
41.0 Joint Screwworm eradication programs	17	17	15
41.0 Joint Commission on the Mediterranean fruit fly			
Grants, subsidies, and contributions-Other	3	2	2
41.0 Insurance claims and indemnities:			
42.0 Brucellosis	3	3	2
42.0 Scrapie of sheep	1	1	1
42.0 Tuberculosis	1	1	1
99.0 Subtotal, direct obligations	477	512	463

99.0	Reimbursable obligations	39	42	43
99.9	Total obligations	516	554	506

Personnel Summary

Identification code 12-1600-0-1-352	1996 actual	1997 est.	1998 est.	
Direct:				
Total compensable workyears:				
1001	Full-time equivalent employment	3,823	3,906	3,604
1005	Full-time equivalent of overtime and holiday hours	156	156	156
1011	Exempt Full-time equivalent employment	1,970	2,140	2,098
Reimbursable:				
Total compensable workyears:				
2001	Full-time equivalent employment	341	345	340
2005	Full-time equivalent of overtime and holiday hours	260	260	260

SALARIES AND EXPENSES
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-1600-2-1-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Direct program:			
00.01	Swine health protection		-1
00.02	Pink bollworm		-1
00.03	Animal welfare		-3
00.04	Biotechnology		-1
00.05	Veterinary biologics		-4
00.91	Total direct program		-10
01.01	Reimbursable program		10
10.00	Total obligations		

Budgetary resources available for obligation:			
23.95	New obligations		

New budget authority (gross), detail:			
Current:			
40.00	Appropriation		-10
Permanent:			
68.00	Spending authority from offsetting collections: Offsetting collections (cash)		10

Change in unpaid obligations:			
73.10	New obligations		

Outlays (gross), detail:			
86.90	Outlays from new current authority		-10
86.97	Outlays from new permanent authority		10
87.00	Total outlays (gross)		

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		-10
90.00	Outlays		-10

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 and, upon enactment of the authorization, a bud-

get amendment to the current appropriations language will be proposed to make the fees available for expenditure. Because the current requirements of the Budget Enforcement Act of 1990 make it difficult to fund discretionary programs with receipts that are not authorized in appropriations acts, the Administration is proposing a change in the requirements to facilitate the enactment of proposals such as this one.

Object Classification (in millions of dollars)

Identification code 12-1600-2-1-352	1996 actual	1997 est.	1998 est.
Direct obligations:			
Personnel compensation:			
11.1	Full-time permanent		-5
11.3	Other than full-time permanent		-1
11.9	Total personnel compensation		-6
12.1	Civilian personnel benefits		-1
21.0	Travel and transportation of persons		-1
25.2	Other services		-1
26.0	Supplies and materials		-1
99.0	Subtotal, direct obligations		-10
99.0	Reimbursable obligations		10
99.9	Total obligations		

Personnel Summary

Identification code 12-1600-2-1-352	1996 actual	1997 est.	1998 est.
Direct:			
1001	Total compensable workyears: Full-time equivalent employment		-167
Reimbursable:			
2001	Total compensable workyears: Full-time equivalent employment		167

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, [S3,200,000] \$7,200,000, to remain available until expended. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.)

Program and Financing (in millions of dollars)

Identification code 12-1601-0-1-352	1996 actual	1997 est.	1998 est.	
Obligations by program activity:				
10.00	Total obligations	13	27	8

Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year: Uninvested balance	31	27	3
22.00	New budget authority (gross)	9	3	7
23.90	Total budgetary resources available for obligation	40	30	10
23.95	New obligations	-13	-27	-8
24.40	Unobligated balance available, end of year: Uninvested balance	27	3	2

New budget authority (gross), detail:				
40.00	Appropriation	9	3	7

Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance: Appropriation	12	14	25
73.10	New obligations	13	27	8
73.20	Total outlays (gross)	-12	-16	-18
74.40	Unpaid obligations, end of year: Obligated balance: Appropriation	14	25	15

Outlays (gross), detail:				
86.90	Outlays from new current authority	4	1	2
86.93	Outlays from current balances	8	15	16
87.00	Total outlays (gross)	12	16	18

General and special funds—Continued

BUILDINGS AND FACILITIES—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1601-0-1-352	1996 actual	1997 est.	1998 est.
Net budget authority and outlays:			
89.00 Budget authority	9	3	7
90.00 Outlays	12	16	18

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 1998 budget proposes \$7.2 million for this program, which consists of \$4.0 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	1996 actual	1997 est.	1998 est.
25.2 Other services	8	8	4
32.0 Land and structures	5	19	4
99.9 Total obligations	13	27	8

Trust Funds

MISCELLANEOUS TRUST FUNDS

Unavailable Collections (in millions of dollars)

Identification code 12-9971-0-7-352	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year		1	1
Receipts:			
02.02 Miscellaneous contributed funds	8	6	6
02.03 Fees for feed and attendants for animals in quarantine		1	1
02.99 Total receipts	8	7	7
04.00 Total: Balances and collections	8	8	8
Appropriation:			
05.01 Miscellaneous trust funds	-7	-7	-7
07.99 Total balance, end of year	1	1	1

Program and Financing (in millions of dollars)

Identification code 12-9971-0-7-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.02 Expenses, feed, and attendants for animals in quarantine	1	1	1
00.03 Miscellaneous contributed funds	6	6	6
10.00 Total obligations	7	7	7
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	4	4	4
22.00 New budget authority (gross)	7	7	7
23.90 Total budgetary resources available for obligation	11	11	11
23.95 New obligations	-7	-7	-7
24.40 Unobligated balance available, end of year:			
Uninvested balance	4	4	4
New budget authority (gross), detail:			
60.27 Appropriation (trust fund, indefinite)	7	7	7
Change in unpaid obligations:			
73.10 New obligations	7	7	7

73.20 Total outlays (gross)	-7	-7	-7
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Outlays (gross), detail:

86.97 Outlays from new permanent authority	6	6	6
86.98 Outlays from permanent balances	1	1	1
87.00 Total outlays (gross)	7	7	7

Net budget authority and outlays:

89.00 Budget authority	7	7	7
90.00 Outlays	8	7	7

Distribution of budget authority by account:

Expenses, feed, and attendants for animals in quarantine	1	1	1
Miscellaneous contributed funds	6	6	6

Distribution of outlays by account:

Expenses, feed, and attendants for animals in quarantine	1	1	1
Miscellaneous contributed funds	7	7	7

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	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	6	6	6	6
1999 Total assets	6	6	6	6
LIABILITIES:				
2101 Federal liabilities: Accounts payable	1	1	1	1
2999 Total liabilities	1	1	1	1
NET POSITION:				
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	1996 actual	1997 est.	1998 est.
Personnel compensation:			
11.1 Full-time permanent	1	1	1
11.5 Other personnel compensation	2	2	2
11.9 Total personnel compensation	3	3	3
12.1 Civilian personnel benefits	1	1	1
21.0 Travel and transportation of persons	1	1	1
25.2 Other services	2	2	2
99.9 Total obligations	7	7	7

Personnel Summary

Identification code 12-9971-0-7-352	1996 actual	1997 est.	1998 est.
Total compensable workyears:			
1001 Full-time equivalent employment	53	53	53
1005 Full-time equivalent of overtime and holiday hours	6	6	6

FOOD SAFETY AND INSPECTION SERVICE

Federal Funds

General and special funds:

SALARIES AND EXPENSES

For necessary expenses to carry on services authorized by the Federal Meat Inspection Act, as amended, the Poultry Products Inspection Act, as amended, and the Egg Products Inspection Act, as amended, **[\$574,000,000] \$591,209,000**, 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 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. (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, 1997.)

Program and Financing (in millions of dollars)

Identification code 12-3700-0-1-554	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct program	544	575	591
01.01 Reimbursable program	81	84	90
10.00 Total obligations	625	659	681
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance		1	
22.00 New budget authority (gross)	626	658	681
23.90 Total budgetary resources available for obligation	626	659	681
23.95 New obligations	-625	-659	-681
24.40 Unobligated balance available, end of year:			
Uninvested balance	1		
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	545	574	591
Permanent:			
68.00 Spending authority from offsetting collections: Off-			
setting collections (cash)	81	84	90
70.00 Total new budget authority (gross)	626	658	681
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	25	36	39
73.10 New obligations	625	659	681
73.20 Total outlays (gross)	-614	-656	-681
73.40 Adjustments in expired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	36	39	39
Outlays (gross), detail:			
86.90 Outlays from new current authority	513	537	559
86.93 Outlays from current balances	20	35	32
86.97 Outlays from new permanent authority	81	84	90
87.00 Total outlays (gross)	614	656	681
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources		-1	-1
88.40 Non-Federal sources	-81	-83	-89
88.90 Total, offsetting collections (cash)	-81	-84	-90
Net budget authority and outlays:			
89.00 Budget authority	545	574	591

90.00 Outlays	533	572	591
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Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	1996 actual	1997 est.	1998 est.
Budget Authority	545	574	591
Outlays	533	572	591
Legislative proposal, not subject to PAYGO:			
Budget Authority			-390
Outlays			-390
Total:			
Budget Authority	545	574	201
Outlays	533	572	201

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.

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 1998, the Administration is proposing a new user fee to offset the cost of Federal meat, poultry, and egg inspection. The proposal would require industry to reimburse the government for the salaries, benefits and related costs associated with in-plant inspection. 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. The Federal government would continue to fund critical food safety activities, such as microbiological testing, technology development, and an emergency response function.

FEDERALLY FUNDED INSPECTION ACTIVITIES

Federally inspected establishments:	1996 actual	1997 est.	1998 est.
Slaughter plants	297	279	262
Processing plants	4,402	4,364	4,327
Combination slaughter and processing plants	996	981	966
Talmadge-Aiken plants	245	231	215
Import establishments	162	150	150
Egg plants	78	81	82
Federally inspected and passed production (millions of pounds):			
Meat slaughter	44,689	45,011	45,461
Poultry slaughter	43,572	44,262	45,147
Egg products	2,980	3,140	3,300
Product inspected and passed under HACCP system: ^a	N/A	N/A	66,525
Import/export activity (millions of pounds):			
Meat and poultry imported	2,361	2,400	2,600
Meat and poultry exported	7,500	8,200	10,000
States and territories with cooperative programs: ^b			
Intrastate inspection	26	26	26
Talmadge-Aiken inspection	9	9	9
Number of slaughter and/or processing plants (excludes exempt plants)	2,868	2,852	2,844
Pounds inspected slaughter (millions)	1,150	1,210	1,330
Compliance activities:			
Marketplace reviews		20,000	< 101,000
Corrective action reviews	31,099	50,000	50,000
Corrective actions completed	472	500	600
Product Testing (samples analyzed):			
Food chemistry	22,862	23,000	23,000
Food microbiology	26,538	177,000	252,000
Chemical residues	69,103	60,000	60,000
Antibiotic residues	173,592	174,000	174,000
Pathology samples	6,467	6,500	6,500
Serology samples	3,981	3,500	3,500
Egg Products:			
Food chemistry		200	300
Food microbiology	2,009	3,000	6,000
Chemical residues	140	350	300
Consumer Education and public outreach:			
Meat and Poultry Hotline Calls received	110,000	110,000	110,000

General and special funds—Continued

SALARIES AND EXPENSES—Continued

FEDERALLY FUNDED INSPECTION ACTIVITIES—Continued

	1996 actual	1997 est.	1998 est.
Epidemiological Investigations:			
Cooperative efforts with State and public health offices	50	60	60
Illnesses reported and treated ^d	N/A	N/A	N/A
Field Automation and Information Management Project (cumulative):			
Number of computers provided to field inspection staff	1,103	1,917	2,708

^aProduction data will be based on meat and poultry slaughter operations and reflect output of large establishments required to produce under HACCP systems within 18 months of the July 25, 1996 publication of the HACCP final rule.
^bStates with cooperative agreements which are operating programs.
^cIncludes retail inspection audits and State assist activities—1,000; and marketplace sampling, testing, reviewing and evaluation—100,000.
^dBy the end of 1997, the sentinel site survey will have the baseline data necessary to estimate the incidence of foodborne illness and treatment.

Object Classification (in millions of dollars)

Identification code 12-3700-0-1-554	1996 actual	1997 est.	1998 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	321	331	340
11.3 Other than full-time permanent	15	18	18
11.5 Other personnel compensation	14	16	16
11.9 Total personnel compensation	350	365	374
12.1 Civilian personnel benefits	90	93	95
13.0 Benefits for former personnel	1	1	1
21.0 Travel and transportation of persons	21	23	23
22.0 Transportation of things	2	2	3
23.2 Rental payments to others	1	1	1
23.3 Communications, utilities, and miscellaneous charges	5	5	5
24.0 Printing and reproduction	2	2	2
25.1 Advisory and assistance services	1	1	2
25.2 Other services	9	15	15
25.3 Purchases of goods and services from Government accounts	4	4	4
25.4 Operation and maintenance of facilities	3	3	3
26.0 Supplies and materials	5	6	6
31.0 Equipment	8	12	12
41.0 Grants, subsidies, and contributions	41	42	43
99.0 Subtotal, direct obligations	543	575	589
99.0 Reimbursable obligations	80	84	90
99.5 Below reporting threshold	2		2
99.9 Total obligations	625	659	681

Personnel Summary

Identification code 12-3700-0-1-554	1996 actual	1997 est.	1998 est.
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment	9,470	9,623	9,607
1005 Full-time equivalent of overtime and holiday hours	129	129	129
Reimbursable:			
Total compensable workyears:			
2001 Full-time equivalent employment	242	276	246
2005 Full-time equivalent of overtime and holiday hours	1,126	1,240	1,240

SALARIES AND EXPENSES

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-3700-2-1-554	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct program			-390
01.01 Reimbursable program			390
10.00 Total obligations			
Budgetary resources available for obligation:			
23.95 New obligations			

New budget authority (gross), detail:

Current:			
40.00	Appropriation		-390
Permanent:			
68.00	Spending authority from offsetting collections: Offsetting collections (cash)		390

Change in unpaid obligations:

73.10	New obligations		
73.20	Total outlays (gross)		

Offsets:

Against gross budget authority and outlays:

88.40	Offsetting collections (cash) from: Non-Federal sources		-390
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Net budget authority and outlays:

89.00	Budget authority		-390
90.00	Outlays		-390

Legislation will be proposed to charge fees for the salaries, benefits and related costs associated with in-plant 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. The Federal government would continue to fund salaries, benefits and related costs associated with in-plant emergency response function.

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 and, upon enactment of the authorization, a budget amendment to the current appropriations language will be proposed to make the fees available for expenditure. Because the current requirements of the Budget Enforcement Act of 1990 make it difficult to fund discretionary programs with receipts that are not authorized in appropriations acts, the Administration is proposing a change in the requirements to facilitate the enactment of proposals such as this one.

Object Classification (in millions of dollars)

Identification code 12-3700-2-1-554	1996 actual	1997 est.	1998 est.
Direct obligations:			
Personnel compensation:			
11.1	Full-time permanent		-277
11.3	Other than full-time permanent		-15
11.5	Other personnel compensation		-14
11.9	Total personnel compensation		-306
12.1	Civilian personnel benefits		-84
99.0	Subtotal, direct obligations		-390
99.0	Reimbursable obligations		390
99.9	Total obligations		

Personnel Summary

Identification code 12-3700-2-1-554	1996 actual	1997 est.	1998 est.
Direct:			
Total compensable workyears:			
1001	Full-time equivalent employment		-7,940
1005	Full-time equivalent of overtime and holiday hours		-128
Reimbursable:			
Total compensable workyears:			
2001	Full-time equivalent employment		7,940
2005	Full-time equivalent of overtime and holiday hours		128

Trust Funds

EXPENSES AND REFUNDS, INSPECTION AND GRADING OF FARM PRODUCTS

Unavailable Collections (in millions of dollars)

Identification code 12-8137-0-7-352	1996 actual	1997 est.	1998 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	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations	4	5	5
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	4	5	5
23.95 New obligations	-4	-5	-5
New budget authority (gross), detail:			
60.27 Appropriation (trust fund, indefinite)	4	5	5
Change in unpaid obligations:			
73.10 New obligations	4	5	5
73.20 Total outlays (gross)	-4	-5	-5
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	4	5	5
Net budget authority and outlays:			
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	1996 actual	1997 est.	1998 est.
Personnel compensation:			
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
99.5 Below reporting threshold		1	1
99.9 Total obligations	4	5	5

Personnel Summary

Identification code 12-8137-0-7-352	1996 actual	1997 est.	1998 est.
Total compensable workyears:			
1001 Full-time equivalent employment	46	52	47
1005 Full-time equivalent of overtime and holiday hours	17	17	17

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, as amended, 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, as amended, including field employment pursuant to 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, **[\$23,128,000] \$25,722,000: 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, 1997.)

Program and Financing (in millions of dollars)

Identification code 12-2400-0-1-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Standardization	4	4	4
00.02 Compliance	4	4	4
00.03 Methods Development	3	3	3
00.04 Packers and Stockyard Program	12	12	15
10.00 Total obligations	23	23	26
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	23	23	26
23.95 New obligations	-23	-23	-26
New budget authority (gross), detail:			
40.00 Appropriation	23	23	26
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	3	4	4
73.10 New obligations	23	23	26
73.20 Total outlays (gross)	-22	-23	-26
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	4	4	4
Outlays (gross), detail:			
86.90 Outlays from new current authority	20	20	23
86.93 Outlays from current balances	2	3	3
87.00 Total outlays (gross)	22	23	26
Net budget authority and outlays:			
89.00 Budget authority	23	23	26
90.00 Outlays	22	23	26

Summary of Budget Authority and Outlays

(in millions of dollars)

	1996 actual	1997 est.	1998 est.
Enacted/requested:			
Budget Authority	23	23	26
Outlays	22	23	26
Legislative proposal, not subject to PAYGO:			
Budget Authority			-16
Outlays			-16
Total:			
Budget Authority	23	23	10
Outlays	22	23	10

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 1998, authorizing legislation will be submitted to permit, subject to appropriations, the collection and use of fees to cover the cost of standardization activities.

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

	1996 actual	1997 est.	1998 est.
U.S. standards in effect at end of year	19	19	19
Standards reviews in progress	7	7	3
Standards reviews completed	4	3	3
Inspection techniques developed	8	2	2
On-site investigations	10	12	14
Designations renewed	20	21	22
Registration certificates issued	87	90	90
Investigations	2,265	2,000	1,900

Market agencies/dealers registered	6,988	6,950	6,900
Stockyards posted	1,348	1,325	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	224	225	225

Object Classification (in millions of dollars)

Identification code 12-2400-0-1-352	1996 actual	1997 est.	1998 est.
11.1 Personnel compensation: Full-time permanent	14	14	15
12.1 Civilian personnel benefits	3	3	3
21.0 Travel and transportation of persons	1	1	2
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	3	3	4
31.0 Equipment	1	1	1
99.9 Total obligations	23	23	26

Personnel Summary

Identification code 12-2400-0-1-352	1996 actual	1997 est.	1998 est.
1001 Total compensable workyears: Full-time equivalent employment	318	351	374

SALARIES AND EXPENSES

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-2400-2-1-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Direct program:			
00.01 Standardization			-4
00.04 Packers and Stockyards Program			-15
00.05 Start Up Costs			3
00.91 Total direct program			-16
01.01 Reimbursable			19
10.00 Total obligations			3
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			3
23.95 New obligations			-3
New budget authority (gross), detail:			
Current:			
40.00 Appropriation			-16
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)			19
70.00 Total new budget authority (gross)			3
Change in unpaid obligations:			
73.10 New obligations			3
73.20 Total outlays (gross)			-3
Outlays (gross), detail:			
86.90 Outlays from new current authority			-16
86.93 Outlays from current balances			
86.97 Outlays from new permanent authority			19
86.98 Outlays from permanent balances			
87.00 Total outlays (gross)			3
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources			-19
Net budget authority and outlays:			
89.00 Budget authority			-16
90.00 Outlays			-16

Legislation will be proposed to establish a fee for the standardization 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 and, upon enactment of the authorization, a budget amendment to the current appropriations language will be proposed to make the fees available for expenditure. Because the current requirements of the Budget Enforcement Act of 1990 make it difficult to fund discretionary programs with receipts that are not authorized in appropriations acts, the Administration is proposing a change in the requirements to facilitate the enactment of proposals such as this one.

Object Classification (in millions of dollars)			
Identification code 12-2400-2-1-352	1996 actual	1997 est.	1998 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent			-8
12.1 Civilian personnel benefits			-2
21.0 Travel and transportation of persons			-1
23.3 Communications, utilities, and miscellaneous charges			-1
25.2 Other services			-4
99.0 Subtotal, direct obligations			-16
99.0 Reimbursable obligations			19
99.9 Total obligations			3

Personnel Summary			
Identification code 12-2400-2-1-352	1996 actual	1997 est.	1998 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment			-275
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment			275

Public enterprise funds:

INSPECTION AND WEIGHING SERVICES

LIMITATION ON INSPECTION AND WEIGHING SERVICE EXPENSES

Not to exceed **[\$43,207,000] \$43,092,000** (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, 1997.)

Program and Financing (in millions of dollars)

Identification code 12-4050-0-3-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations	34	43	43
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	6	3	3
22.00 New budget authority (gross)	31	43	43
23.90 Total budgetary resources available for obligation	37	46	46
23.95 New obligations	-34	-43	-43
24.90 Unobligated balance available, end of year: Fund balance	3	3	3
Net budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	31	43	43

Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance: Fund balance	3	2	2
73.10 New obligations	34	43	43
73.20 Total outlays (gross)	-35	-43	-43
74.90 Unpaid obligations, end of year: Obligated balance: Fund balance	2	2	2
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	31	43	43
86.98 Outlays from permanent balances	4		
87.00 Total outlays (gross)	35	43	43
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-31	-43	-43
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	4		

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).

	1996 actual	1997 est.	1998 est.
Export grain inspected and/or weighed (million metric tons):			
By Federal personnel	89.9	90.0	91.2
By delegated States	24.6	24.6	24.7
Quantity of grain inspected (all official inspections) million metric tons	134.7	144.0	146.8
Number of inspections and reinspections:			
By Federal personnel	158,055	165,000	172,000
By delegated state/official agency licenses	2,149,516	2,235,000	2,328,000
Number of appeals	6,800	6,800	6,800
Number of appeals carried to the Board of Appeals and Review	1,006	1,000	1,000
Quantity of rice inspected (million metric tons)	3.8	3.7	4.0
Quantity of rice exports (million metric tons)	3.0	2.3	2.8

Statement of Operations (in millions of dollars)

Identification code 12-4050-0-3-352	1995 actual	1996 actual	1997 est.	1998 est.
0101 Revenue	34	31	43	43
0102 Expense	-36	-34	-43	-43
0109 Net income or loss (-)	-2	-3		

Balance Sheet (in millions of dollars)

Identification code 12-4050-0-3-352	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	5	1	2	3
1206 Non-Federal assets: Receivables, net	4	4	4	4
1803 Other Federal assets: Property, plant and equipment, net	1	1	1	1
1999 Total assets	10	6	7	8

Public enterprise funds—Continued

INSPECTION AND WEIGHING SERVICES—Continued

LIMITATION ON INSPECTION AND WEIGHING SERVICE EXPENSES—Continued

Balance Sheet (in millions of dollars)—Continued

Identification code 12-4050-0-3-352	1995 actual	1996 actual	1997 est.	1998 est.
LIABILITIES:				
Non-Federal liabilities:				
2201 Accounts payable		1	1	1
2207 Other	3	2	2	2
2999 Total liabilities	3	3	3	3
NET POSITION:				
3100 Appropriated capital	2	8	2	2
3300 Cumulative results of operations	5	-5	2	3
3999 Total net position	7	3	4	5
4999 Total liabilities and net position	10	6	7	8

Object Classification (in millions of dollars)

Identification code 12-4050-0-3-352	1996 actual	1997 est.	1998 est.
Personnel compensation:			
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
23.3 Communications, utilities, and miscellaneous charges	1	1	1
25.2 Other services	4	7	7
26.0 Supplies and materials	1	1	1
99.0 Subtotal, reimbursable obligations	33	43	43
99.5 Below reporting threshold	1		
99.9 Total obligations	34	43	43

Personnel Summary

Identification code 12-4050-0-3-352	1996 actual	1997 est.	1998 est.
Total compensable workyears:			
2001 Full-time equivalent employment	490	522	480
2005 Full-time equivalent of overtime and holiday hours	99	125	125

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 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, [\$38,507,000] \$49,786,000, 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 [\$59,012,000] \$59,521,000 (from fees collected) shall be obligated during the current fiscal year for administrative ex-

penses: *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, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-2500-0-1-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Direct program:			
00.01 Market news service	20	22	23
00.02 Inspection and standardization	6	7	6
00.03 Market protection and promotion	15	5	16
00.04 Wholesale market development	2	2	2
00.05 Transportation services	3	3	3
00.91 Total direct program	46	39	50
Capital investment:			
01.01 Reimbursable program	47	59	60
01.02 Reimbursable program	3	4	4
01.91 Total capital investment	50	63	64
10.00 Total obligations	96	102	114

Budgetary resources available for obligation:

21.40 Unobligated balance available, start of year:			
Uninvested balance	34	39	39
22.00 New budget authority (gross)	102	102	113
22.30 Unobligated balance expiring	-1		
23.90 Total budgetary resources available for obligation	135	141	152
23.95 New obligations	-96	-102	-114
24.40 Unobligated balance available, end of year:			
Uninvested balance	39	39	39

New budget authority (gross), detail:

Current:			
40.00 Appropriation	47	39	50
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	55	63	64
70.00 Total new budget authority (gross)	102	102	114

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	22	22	22
73.10 New obligations	96	102	114
73.20 Total outlays (gross)	-96	-102	-108
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	22	22	28

Outlays (gross), detail:

86.90 Outlays from new current authority	37	39	44
86.93 Outlays from current balances	10		
86.97 Outlays from new permanent authority	49	63	64
87.00 Total outlays (gross)	96	102	108

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-1	-2	-2
88.40 Non-Federal sources	-54	-61	-62
88.90 Total, offsetting collections (cash)	-55	-63	-64

Net budget authority and outlays:

89.00 Budget authority	47	39	50
90.00 Outlays	41	39	43

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. The individual 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 nearly 700 commodities throughout the country.

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

	1996 actual	1997 est.	1998 est.
Percentage of reports released on time	88	92	94

COTTON AND TOBACCO USER FEE PROGRAM

	1996 actual	1997 est.	1998 est.
Cotton classed (samples in millions)	17.2	17.4	17.4
Tobacco auction markets (million pounds)	1,342	1,593	1,593
Imported tobacco inspected at markets and ports of entry (million pounds)	309	310	310

FEDERALLY FUNDED INSPECTION AND PROCUREMENT ACTIVITIES

	1996 actual	1997 est.	1998 est.
States and Commonwealths with cooperative agreements	50	49	49
Percentage of inspection visits performed on time	99.7	99.7	99.7

STANDARDIZATION ACTIVITIES

	1996 actual	1997 est.	1998 est.
International and U.S. standards in effect, end of fiscal year	423	426	426
Number of commodities covered	234	234	234
Standards revised	21	21	17

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 fresh cut flowers and greens; (2) the Federal Seed Act; and (3) the administration of the Capper-Volstead Act and the Agricultural Fair Practices Act.

Continuation of the fluid milk program was approved in referendum in February and March, 1996.

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. In 1997, funding was transferred to the Environmental Protection Agency. The 1998 budget proposes funding this program through the Department of Agriculture.

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.

MARKET PROTECTION AND PROMOTION ACTIVITIES

	1996 actual	1997 est.	1998 est.
Pesticide Data Program:			
Average number of samples tested per commodity	600	0	600
Percentage of goal	100	0	100
Pesticide Recordkeeping:			
Number of State/Federal Inspections	3,349	4,665	5,276
Percentage of sampling goal attained	110	98	98
Seed Act:			
Interstate investigations:			
Completed	650	650	650
Pending	550	550	550
Seed samples tested	2,950	2,850	3,000
Percentage of cases submitted that are completed	100	92	92
Plant Variety Protection Act:			
Number of applications received	408	350	350
Certificates of protection issued	228	350	350
Research and promotion collections (dollars in millions):			
Beef	43.0	45.0	46.0
Cotton	67.9	62.7	58.2
Dairy—National	76.5	77.3	78.0
Honey	3.2	3.4	3.4
Pork	56.6	58.4	56.7
Egg	14.0	14.0	14.0
Potato	8.4	7.8	8.1
Watermelon	1.4	1.4	1.4
Mushroom	2.2	2.3	2.3
Kiwifruit	0.0	1.0	2.0
Popcorn	0.0	0.3	0.5
Soybean	38.8	38.0	36.0
Fresh cut flowers and greens	10.0	10.0	10.0
Fluid Milk	25.0	100.0	100.0
Percentage of board budgets and marketing plans approved within time frame goal	91	91	91

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

	1996 actual	1997 est.	1998 est.
Market studies initiated	10	12	12
Studies and projects completed	7	9	12

TRANSPORTATION SERVICES ACTIVITIES

	1996 actual	1997 est.	1998 est.
Number of reports produced	8	6	8
Number of workshops sponsored	2	4	2

Object Classification (in millions of dollars)

Identification code 12-2500-0-1-352	1996 actual	1997 est.	1998 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	18	20	21
11.3 Other than full-time permanent	1	1	1
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	20	22	23
12.1 Civilian personnel benefits	4	4	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	2	2
25.2 Other services	14	5	14
25.3 Purchases of goods and services from Government accounts	2	2	2
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	1
99.0 Subtotal, direct obligations	46	39	50
99.0 Reimbursable obligations	50	63	64
99.9 Total obligations	96	102	114

General and special funds—Continued

MARKETING SERVICES—Continued

LIMITATION ON ADMINISTRATIVE EXPENSES—Continued

Personnel Summary

Identification code 12-2500-0-1-352	1996 actual	1997 est.	1998 est.
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment	474	478	503
1005 Full-time equivalent of overtime and holiday hours	2	2	2
Reimbursable:			
Total compensable workyears:			
2001 Full-time equivalent employment	762	835	767
2005 Full-time equivalent of overtime and holiday hours	41	70	70

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, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-2501-0-1-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	1	1	1
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1	1	1
23.95 New obligations	-1	-1	-1
New budget authority (gross), detail:			
40.00 Appropriation	1	1	1
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	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:			
Appropriation	1	1	1
Outlays (gross), detail:			
86.93 Outlays from current balances	1	1	1
Net budget authority and outlays:			
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	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year			
Receipts:			
02.01 Deposits of Perishable Agricultural Commodities Act fees	10	9	9
Appropriation:			
05.01 Perishable Agricultural Commodities Act fund	-10	-9	-9
07.99 Total balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-5070-0-2-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations	7	7	7
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	2	5	7
22.00 New budget authority (gross)	10	9	9
23.90 Total budgetary resources available for obligation	12	14	16
23.95 New obligations	-7	-7	-7
24.40 Unobligated balance available, end of year:			
Uninvested balance	5	7	8
New budget authority (gross), detail:			
60.25 Appropriation (special fund, indefinite)	10	9	9
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance:			
Fund balance	3		
73.10 New obligations	7	7	7
73.20 Total outlays (gross)	-10	-7	-7
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	9	7	7
86.98 Outlays from permanent balances	1		
87.00 Total outlays (gross)	10	7	7
Net budget authority and outlays:			
89.00 Budget authority	10	9	9
90.00 Outlays	10	7	7

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

	1996 actual	1997 est.	1998 est.
Percentage of informal reparation complaints completed within time frame goal	86	86	86

Object Classification (in millions of dollars)

Identification code 12-5070-0-2-352	1996 actual	1997 est.	1998 est.
11.1 Personnel compensation: Full-time permanent	5	5	5
12.1 Civilian personnel benefits	1	1	1
25.3 Purchases of goods and services from Government accounts	1	1	1
99.9 Total obligations	7	7	7

Personnel Summary

Identification code 12-5070-0-2-352	1996 actual	1997 est.	1998 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 **[\$10,576,000]** \$10,690,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.*)

Unavailable Collections (in millions of dollars)

Identification code 12-5209-0-2-605	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year	1,075	576	559
Receipts:			
02.01 30% of customs duties, funds for strengthening markets, income and supply (section 32)	5,732	5,906	5,687
04.00 Total: Balances and collections	6,807	6,482	6,246
Appropriation:			
05.01 Funds for strengthening markets, income, and supply (section 32)	-6,264	-5,923	-5,678
06.20 Reduction pursuant to Public Law 104-134	5		
07.99 Total balance, end of year	576	559	568

Program and Financing (in millions of dollars)

Identification code 12-5209-0-2-605	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Direct program:			
Commodity program payments:			
00.01 Child nutrition program purchases	399	400	400
00.02 Emergency surplus removal	56	50	
00.03 Disaster Relief	1		
00.04 Sunflower and cottonseed oil subsidies	24		
00.91 Subtotal, Commodity program payments	480	450	400
01.01 Administrative expenses	16	17	17
01.92 Total direct program	496	467	417
02.01 Reimbursable program	1	1	1
10.00 Total obligations	497	468	418

Budgetary resources available for obligation:

21.40 Unobligated balance available, start of year:			
Uninvested balance	235	300	256
22.00 New budget authority (gross)	589	424	462
22.10 Resources available from recoveries of prior year obligations	1		
22.30 Unobligated balance expiring	-28		
23.90 Total budgetary resources available for obligation	797	724	718
23.95 New obligations	-497	-468	-418
24.40 Unobligated balance available, end of year:			
Uninvested balance	300	256	300

New budget authority (gross), detail:

60.25 Appropriation (special fund, indefinite)	6,264	5,923	5,678
60.75 Procurement reduction pursuant to P.L. 104-134	-5		
61.00 Transferred to other accounts	-5,671	-5,500	-5,217
63.00 Appropriation (total)	588	423	461
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	1	1
70.00 Total new budget authority (gross)	589	424	462

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	18	63	63
73.10 New obligations	497	468	418
73.20 Total outlays (gross)	-451	-468	-417
73.45 Adjustments in unexpired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	63	63	63

Outlays (gross), detail:

86.97 Outlays from new permanent authority	198	205	98
86.98 Outlays from permanent balances	253	263	319
87.00 Total outlays (gross)	451	468	417

Offsets:

Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-1	-1	-1

Net budget authority and outlays:

89.00 Budget authority	588	423	461
90.00 Outlays	450	467	416

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	1996 actual	1997 est.	1998 est.
Budget Authority	588	423	461
Outlays	450	467	416
Legislative proposal, subject to PAYGO:			
Budget Authority			
Outlays			-10
Total:			
Budget Authority	588	423	461
Outlays	450	467	406

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

	1996 actual	1997 est.	1998 est.
Administrative costs in constant dollars as a percentage of commodity purchases	1.3	1.3	1.2

Object Classification (in millions of dollars)

Identification code 12-5209-0-2-605	1996 actual	1997 est.	1998 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	8	8	9
12.1 Civilian personnel benefits	2	2	2
22.0 Transportation of things: Commodities	10	9	8
23.3 Communications, utilities, and miscellaneous charges	1	1	1
Other services:			
25.2 Administration	2	2	2
25.2 Storage of commodities	3	3	3
25.3 Purchases of goods and services from Government accounts	2	2	2
26.0 Supplies and materials: Grants of commodities to States	467	438	389
99.0 Subtotal, direct obligations	495	465	416
99.0 Reimbursable obligations	1	1	1
99.5 Below reporting threshold	1	2	1
99.9 Total obligations	497	468	418

General and special funds—Continued

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

(INCLUDING TRANSFERS OF FUNDS)—Continued

Personnel Summary

Identification code 12-5209-0-2-605	1996 actual	1997 est.	1998 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	165	173	173
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	12	13	13

99.0 Subtotal, direct obligations	-9
99.0 Reimbursable obligations	10
99.5 Below reporting threshold	-1
99.9 Total obligations	

Personnel Summary

Identification code 12-5209-4-2-605	1996 actual	1997 est.	1998 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment			-126
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment			126

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

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-5209-4-2-605	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
01.01 Administrative expenses			-10
02.01 Unobligated balance, start of year			10
10.00 Total obligations			
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			10
23.95 New obligations			
24.40 Unobligated balance available, end of year:			
Uninvested balance			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			
73.20 Total outlays (gross)			
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			-10

Proposed legislation would finance the Federal Administration of Marketing Agreements and Orders on a user fee basis.

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 and, upon enactment of the authorization, a budget amendment to the current appropriations language will be proposed to make the fees available for expenditure. Because the current requirements of the Budget Enforcement Act of 1990 make it difficult to fund discretionary programs with receipts that are not authorized in appropriations acts, the Administration is proposing a change in the requirements to facilitate the enactment of proposals such as this one.

Object Classification (in millions of dollars)

Identification code 12-5209-4-2-605	1996 actual	1997 est.	1998 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent			-6
12.1 Civilian personnel benefits			-1
23.3 Communications, utilities, and miscellaneous charges			-1
25.2 Other services			-1

Trust Funds

MISCELLANEOUS TRUST FUNDS

Unavailable Collections (in millions of dollars)

Identification code 12-9972-0-7-352	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year			2
Receipts:			
02.01 Deposits of fees from inspection and grading of farm products	102	105	105
04.00 Total: Balances and collections	102	105	107
Appropriation:			
05.01 Miscellaneous trust funds	-102	-103	-103
07.99 Total balance, end of year		2	4

Program and Financing (in millions of dollars)

Identification code 12-9972-0-7-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Dairy products	6	5	5
00.02 Fruits and vegetables	46	48	48
00.03 Meat grading	20	20	20
00.04 Poultry products	23	23	23
00.05 Miscellaneous agricultural commodities	7	7	7
10.00 Total obligations	102	103	103
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	31	32	32
22.00 New budget authority (gross)	102	103	103
23.90 Total budgetary resources available for obligation	133	135	135
23.95 New obligations	-102	-103	-103
24.40 Unobligated balance available, end of year:			
Uninvested balance	32	32	32
New budget authority (gross), detail:			
60.27 Appropriation (trust fund, indefinite)	102	103	103
Change in unpaid obligations:			
72.92 Unpaid obligations, start of year: Obligated balance:			
U.S. Securities: Unrealized discounts	-15	-19	-19
73.10 New obligations	102	103	103
73.20 Total outlays (gross)	-106	-103	-103
74.92 Unpaid obligations, end of year: Obligated balance:			
U.S. Securities: Unrealized discounts	-19	-19	-19
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	90	90	90
86.98 Outlays from permanent balances	16	13	13
87.00 Total outlays (gross)	106	103	103
Net budget authority and outlays:			
89.00 Budget authority	102	103	103
90.00 Outlays	106	103	103

Expenses and refunds, inspection and grading of farm products.—The commodity grading programs provide grading, ex-

amination, 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

	1996 actual	1997 est.	1998 est.
Weighted average cost per cwt. (1992 index)	\$0.37	\$0.37	\$0.36

Balance Sheet (in millions of dollars)

Identification code 12-9972-0-7-352	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	16	13	13	13
Investments in US securities:				
1106 Receivables, net	5	3	3	3
Non-Federal assets:				
1201 Investments in non-Federal securities, net	23	29	29	29
1206 Receivables, net	11	8	8	8
1803 Other Federal assets: Property, plant and equipment, net	1	1	1	1
1999 Total assets	56	54	54	54
LIABILITIES:				
2101 Federal liabilities: Accounts payable	4	2	2	2
2207 Non-Federal liabilities: Unearned revenue (advances): Deposit funds	12	11	11	11
2999 Total liabilities	16	13	13	13
NET POSITION:				
3600 Other	40	41	41	41
3999 Total net position	40	41	41	41
4999 Total liabilities and net position	56	54	54	54

Object Classification (in millions of dollars)

Identification code 12-9972-0-7-352	1996 actual	1997 est.	1998 est.
Personnel compensation:			
11.1 Full-time permanent	53	53	53
11.3 Other than full-time permanent	5	5	5
11.5 Other personnel compensation	7	8	8
11.9 Total personnel compensation	65	66	66
12.1 Civilian personnel benefits	15	15	15
13.0 Benefits for former personnel	1	1	1
21.0 Travel and transportation of persons	6	5	5
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	2	2	2
25.2 Other services	6	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
99.5 Below reporting threshold		1	1
99.9 Total obligations	102	103	103

Personnel Summary

Identification code 12-9972-0-7-352	1996 actual	1997 est.	1998 est.
Total compensable workyears:			
1001 Full-time equivalent employment	1,654	1,723	1,580
1005 Full-time equivalent of overtime and holiday hours	142	139	139

MILK MARKET ORDERS ASSESSMENT FUND

Program and Financing (in millions of dollars)

Identification code 12-8412-0-8-351	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Administration	32	34	36
00.02 Marketing service	5	5	6
10.00 Total obligations	37	39	42
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.90 Fund balance	20	19	19
21.91 U.S. Securities: Par value	6	6	6
21.99 Total unobligated balance, start of year	26	25	25
22.00 New budget authority (gross)	36	39	42
23.90 Total budgetary resources available for obligation	61	64	67
23.95 New obligations	-37	-39	-42
Unobligated balance available, end of year:			
24.90 Fund balance	19	19	19
24.91 U.S. Securities: Par value	6	6	6
24.99 Total unobligated balance, end of year	25	25	25
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	36	39	42
Change in unpaid obligations:			
73.10 New obligations	37	39	42
73.20 Total outlays (gross)	-36	-39	-42
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	35	38	41
86.98 Outlays from permanent balances	1	1	1
87.00 Total outlays (gross)	36	39	42
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-36	-39	-42
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

Note.—The administration fund totals are comprised of 33 separate independent order accounts in 1996. The Marketing Service fund totals are comprised of 31 separate independent order accounts in 1996.

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 re-

MILK MARKET ORDERS ASSESSMENT FUND—Continued

serves 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

	1996 actual	1997 est.	1998 est.
Percentage of informal rulemaking completed within internal timeframes	100	85	85
Percentage of formal rulemaking completed within internal timeframes:			
Fruit & vegetable & Specialty Crop	87	85	85
Fluid Milk Orders	88	85	85

Statement of Operations (in millions of dollars)

Identification code 12-8412-0-8-351	1995 actual	1996 actual	1997 est.	1998 est.
0111 Revenue	30	29	34	36
0112 Expense	-31	-32	-34	-36
0119 Net loss	-1	-3		
0121 Revenue	7	7	5	6
0122 Expense	-6	-5	-5	-6
0129 Net income or loss (-)	1	2		
0191 Total revenues	37	36	39	42
0192 Total expenses	-37	-37	-39	-42
0199 Net income or loss		-1		

Balance Sheet (in millions of dollars)

Identification code 12-8412-0-8-351	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Investments in US securities:				
1102 Federal assets: Treasury securities, par	6	6	6	6
1206 Non-Federal assets: Receivables, net	3	3	3	3
Other Federal assets:				
1801 Cash and other monetary assets	17	17	17	17
1803 Property, plant and equipment, net	4	4	4	4
1999 Total assets	30	30	30	30
LIABILITIES:				
2201 Non-Federal liabilities: Accounts payable	1	1	1	1
2999 Total liabilities	1	1	1	1
NET POSITION:				
3200 Invested capital	29	29	29	29
3999 Total net position	29	29	29	29
4999 Total liabilities and net position	30	30	30	30

Object Classification (in millions of dollars)

Identification code 12-8412-0-8-351	1996 actual	1997 est.	1998 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
99.0 Subtotal, reimbursable obligations	36	39	41
99.5 Below reporting threshold	1		1
99.9 Total obligations	37	39	42

Personnel Summary

Identification code 12-8412-0-8-351	1996 actual	1997 est.	1998 est.
Total compensable workyears:			
2001 Full-time equivalent employment	480	487	447
2005 Full-time equivalent of overtime and holiday hours	1	1	1

**[OFFICE OF] RISK MANAGEMENT AGENCY
(FEDERAL CROP INSURANCE CORPORATION)**

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] \$68,465,000. 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, for sales commissions of agents, as authorized by section 516 (7 U.S.C. 1516), \$202,571,000. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.)

Program and Financing (in millions of dollars)

Identification code 12-2707-0-1-351	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Office of Administrator		1	1
00.02 Research and Development		39	40
00.03 Insurance Services		15	17
00.04 Program Support		2	2
00.05 Risk Compliance		7	8
00.06 Sales Commissions			203
10.00 Total obligations		64	271
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		64	271
23.95 New obligations		-64	-271

New budget authority (gross), detail:

40.00 Appropriation		64	271
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Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	33	4	8
73.10 New obligations		64	271
73.20 Total outlays (gross)	-9	-60	-181
73.40 Adjustments in expired accounts	-20		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	4	8	98

Outlays (gross), detail:

86.90 Outlays from new current authority		56	173
86.93 Outlays from current balances	9	4	8
87.00 Total outlays (gross)	9	60	181

Net budget authority and outlays:

89.00 Budget authority		64	271
90.00 Outlays	9	60	181

Summary of Budget Authority and Outlays

(in millions of dollars)

	1996 actual	1997 est.	1998 est.
Enacted/requested:			
Budget Authority		64	271
Outlays	9	60	181
Legislative proposal, not subject to PAYGO:			
Budget Authority			-53
Outlays			-34
Total:			
Budget Authority		64	218
Outlays	9	60	147

This appropriation finances the administrative and operating expenses of the Risk Management Agency (RMA), which provides crop insurance to farmers. In 1996, due to the reorganization of USDA, a consolidated appropriation account was established for all FSA administrative expenses that included FCIC activities administered by FSA. The 1996 Farm Bill separated FCIC from FSA and established RMA as an independent agency. In 1997, a separate account for RMA/FCIC administrative and operating expenses was established consistent with the Farm Bill as reflected in these schedules.

Object Classification (in millions of dollars)

Identification code 12-2707-0-1-351	1996 actual	1997 est.	1998 est.
Personnel compensation:			
11.1 Full-time permanent		25	28
11.3 Other than full-time permanent		2	3
11.9 Total personnel compensation		27	31
12.1 Civilian personnel benefits		6	7
21.0 Travel and transportation of persons		2	2
23.2 Rental payments to others		1	1
23.3 Communications, utilities, and miscellaneous charges		4	4
25.2 Other services		21	223
26.0 Supplies and materials		1	1
31.0 Equipment		2	2
99.9 Total obligations		64	271

Personnel Summary

Identification code 12-2707-0-1-351	1996 actual	1997 est.	1998 est.
Total compensable workyears:			
1001 Full-time equivalent employment		580	623
1005 Full-time equivalent of overtime and holiday hours		3	3

ADMINISTRATIVE AND OPERATING EXPENSES
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-2707-2-1-351	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.06 Sales Commissions			-53
10.00 Total obligations (object class 25.2)			-53
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			-53
23.95 New obligations			53
New budget authority (gross), detail:			
40.00 Appropriation			-53
Change in unpaid obligations:			
73.10 New obligations			-53
73.20 Total outlays (gross)			34
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation			-19
Outlays (gross), detail:			
86.90 Outlays from new current authority			-34
Net budget authority and outlays:			
89.00 Budget authority			-53
90.00 Outlays			-34

This schedule reflects proposed legislation to amend the Federal Crop Insurance (FCIC) Act to reduce the rate used to reimburse approved private-sector insurance providers and agents for the administrative and operating cost. The proposal would lower the reimbursement rate from 28 percent of premiums sold for multiple-peril crop insurance in 1998 to 24.50 percent. In addition, the proposal would specify that 10.5 percentage points of the proposed rate would be subject to appropriations (the remainder is paid through the mandatory Crop Insurance Fund).

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 amended, 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, 1997.*)

Public enterprise funds:

FEDERAL CROP INSURANCE CORPORATION FUND

For payments as authorized by section 516 of the Federal Crop Insurance Act, as amended, 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, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-4085-0-3-351	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.02 Delivery expenses	492	495	268
01.01 Indemnities	1,835	2,088	2,100
10.00 Total obligations	2,327	2,583	2,368
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	216	971	569
22.00 New budget authority (gross)	2,291	2,558	2,368
22.10 Resources available from recoveries of prior year obligations	791	-377	
23.90 Total budgetary resources available for obligation	3,298	3,152	2,937
23.95 New obligations	-2,327	-2,583	-2,368
24.90 Unobligated balance available, end of year: Fund balance	971	569	569
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	1,650	1,785	1,584
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	641	773	784
70.00 Total new budget authority (gross)	2,291	2,558	2,368
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	1,800	936	1,394
73.10 New obligations	2,327	2,583	2,368
73.20 Total outlays (gross)	-2,401	-2,502	-2,459
73.45 Adjustments in unexpired accounts	-791	377	
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	936	1,394	1,303
Outlays (gross), detail:			
86.90 Outlays from new current authority	784	757	621
86.93 Outlays from current balances	891	1,059	1,061
86.97 Outlays from new permanent authority	509	270	274
86.98 Outlays from permanent balances	217	416	503
87.00 Total outlays (gross)	2,401	2,502	2,459
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-641	-773	-784
Net budget authority and outlays:			
89.00 Budget authority	1,650	1,785	1,584
90.00 Outlays	1,760	1,729	1,675

Summary of Budget Authority and Outlays

(in millions of dollars)

	1996 actual	1997 est.	1998 est.
Enacted/requested:			
Budget Authority	1,650	1,785	1,584
Outlays	1,760	1,729	1,675
Legislative proposal, subject to PAYGO:			
Budget Authority			26
Outlays			4

Public enterprise funds—Continued

FEDERAL CROP INSURANCE CORPORATION FUND—Continued

Summary of Budget Authority and Outlays—Continued

(in millions of dollars)

Total:	1996 actual	1997 est.	1998 est.
Budget Authority	1,650	1,785	1,610
Outlays	1,760	1,729	1,679

The Federal Crop Insurance Corporation (FCIC) is a wholly-owned government Corporation that provides crop insurance to crop producers against losses due to unavoidable causes and/or uncontrollable events. The Federal Crop Insurance Reform Act of 1994 (Reform Act) made significant changes in the program to provide more of the Nation's farmers with an on-going source of risk protection and to reduce the need for ad hoc disaster payment assistance.

The Reform Act established a link between catastrophic crop insurance (CAT) and other farm programs by requiring producers to carry CAT for each insurable crop of economic significance in order to participate in other farm programs. The premium for this type of coverage is subsidized by the Federal Government with the only cost to farmers being a small annual processing fee. This basic level of coverage compensates producers for losses greater than 50 percent of the normal yield at 60 percent of the expected price.

The Federal Agriculture Improvement and Reform Act of 1996 (1996 Farm Bill) made further changes in the crop insurance program by mandating further expansion of the revenue insurance program. It also provided for the development of educational programs on risk management techniques which will enable farmers to improve their farming operations and production capabilities. Under the 1996 Farm Bill, farmers are no longer required to obtain catastrophic insurance to participate in other Federal farm programs.

Additional protection at higher levels of coverage will continue to be offered. Coverage levels will be subsidized to the extent of the premium on at least the catastrophic level of coverage and the delivery costs.

The Noninsured Assistance Program, which provides coverage equivalent to the catastrophic risk protection in areas where catastrophic risk protection is not available on specific crops which are produced for food or fiber, will now be administered by the Farm Service Agency.

The 1996 appropriation provided sufficient funding for crop year 1996 to insure 202.4 million acres with an estimated \$1,840.0 million in total premium income, including \$554.6 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 1997. Amounts in the 1995 column are as of September 30, 1995, and pertain to the 1995 crop year.

	1996 crop year actual	1997 crop year estimate	1998 crop year estimate
Number of States	50	50	50
Number of counties	3,022	3,022	3,022
Insurance in force (millions)	26,619	26,721	26,656
Insured acreage (millions)	202	202	203
Producer premium (millions) ¹	862	899	909
Premium subsidy (millions) ¹	978	981	1,005
Total premium (millions) ¹	1,840	1,880	1,914
Indemnities (million) ¹	1,840	2,068	2,106
Loss ratio	1.00	1.10	1.10

¹Includes 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)

	1996 fiscal year actual	1997 fiscal year estimate	1998 fiscal year estimate
Premiums:			
Producer premium	827	893	908
Amount of subsidies	944	981	1,001
Additional coverage	730	823	851
Catastrophic coverage	214	158	150
Total premiums	1,771	1,874	1,909
Indemnities	1,835	2,088	2,100
Additional coverage	1,815	1,888	1,935
Catastrophic coverage	20	200	165

For crop years 1948 through 1995, indemnities (\$14,383.0 million) exceeded premium income (\$10,957.3 million) by \$3,425.7 million; the loss ratio for the period was 1.31.

The following table summarizes the insurance operations for fiscal years 1996, 1997 and 1998:

NET INCOME OR LOSS (–) ON INSURANCE OPERATIONS

(In millions of dollars)

	1996 fiscal year actual	1997 fiscal year estimate	1998 fiscal year estimate
Premiums over indemnities	–1,008	–1,195	–1,193
Interest expense, net	–1	0	0
Delivery expenses	–493	–490	–257
Other income or expense, net (–)	–1	0	0
Reinsurance underwriting gain (+) or loss (–)	–176	–121	–124
Research and Development start up expense	–6	–5	–10
Net income or loss (–)	–1,685	–1,811	–1,584

Statement of Operations (in millions of dollars)

Identification code 12–4085–0–3–351	1995 actual	1996 actual	1997 est.	1998 est.
0101 Revenue	685	641	773	784
0102 Expense	–2,848	–2,326	–2,584	–2,368
0109 Net income or loss (–)	–2,163	–1,685	–1,811	–1,584
0199 Net income or loss	–2,163	–1,685	–1,811	–1,584

Balance Sheet (in millions of dollars)

Identification code 12–4085–0–3–351	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	2,136	2,114	1,708	1,708
1206 Non-Federal assets: Receivables, net	571	735	700	700
1803 Other Federal assets: Property, plant and equipment, net	2	1	2	2
1999 Total assets	2,709	2,850	2,410	2,410
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	3	1	5	5
2105 Other	183	186	150	150
Non-Federal liabilities:				
2201 Accounts payable	221	220	200	200
2207 Other	1,617	1,632	1,262	1,262
2999 Total liabilities	2,024	2,039	1,617	1,617

NET POSITION:

3100	Appropriated capital	8	2	10	10
3200	Invested capital	2	1	2	2
3300	Cumulative results of operations	-3,815	-3,682	-5,493	-7,077
3500	Future funding requirements	-6	-6	-7	-7
3600	Other	4,496	4,496	6,281	7,865
3999	Total net position	685	811	793	793
4999	Total liabilities and net position	2,709	2,850	2,410	2,410

Object Classification (in millions of dollars)

Identification code 12-4085-0-3-351	1996 actual	1997 est.	1998 est.
Direct obligations:			
25.2 Other services	492	495	268
99.0 Subtotal, direct obligations	492	495	268
Reimbursable obligations:			
Insurance claims and indemnities:			
42.0 Insurance claims and indemnities (catastrophic)	20	200	165
42.0 Insurance claims and indemnities (reinsured)	1,815	1,888	1,935
99.0 Subtotal, reimbursable obligations	1,835	2,088	2,100
99.9 Total obligations	2,327	2,583	2,368

FEDERAL CROP INSURANCE CORPORATION FUND
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-4085-4-3-351	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.02 Delivery expenses			10
01.01 Indemnities			47
10.00 Total obligations			57
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			57
23.95 New obligations			-57
New budget authority (gross), detail:			
Current:			
40.00 Appropriation			26
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)			31
70.00 Total new budget authority (gross)			57
Change in unpaid obligations:			
73.10 New obligations			57
73.20 Total outlays (gross)			-35
74.40 Unpaid obligations, end of year: Obligated balance: Appropriation			22
Outlays (gross), detail:			
86.90 Outlays from new current authority			16
86.97 Outlays from new permanent authority			19
87.00 Total outlays (gross)			35
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources			-31
Net budget authority and outlays:			
89.00 Budget authority			26
90.00 Outlays			4

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 Corporation to offer revenue insurance products on a nationwide basis. The FCIC Act currently provides for either individual or area yield-based insurance, such as traditional multiple peril crop insurance or the Group Risk Plan. Author-

ity to offer other plans of insurance, such as revenue insurance, is currently limited to pilot programs or private company submissions under section 508(h) of the Act. This proposal would give the Corporation the flexibility either to develop and administer programs itself or to act as a facilitator for programs developed by the private sector. In addition, the expected loss ratio of the Corporation would be adjusted to a more actuarially-sound level.

Object Classification (in millions of dollars)

Identification code 12-4085-4-3-351	1996 actual	1997 est.	1998 est.
25.2 Other services			10
42.0 Insurance claims and indemnities			47
99.9 Total obligations			57

FARM SERVICE AGENCY

Federal Funds

General and special funds:

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, **[\$746,440,000] \$742,789,000: 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, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-0600-0-1-351	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Program formulation and appraisal	36	29	27
00.02 Inventory management and merchandising	22	20	19
00.03 Warehouse examination	7	9	9
00.04 Operation of supply adjustment, conservation and farm income programs	718	680	676
00.05 Crop Loss Protection	100	43	44
00.06 Farm credit activities (reimbursable)	208	208	210
00.07 Other reimbursable activities	53	53	54
10.00 Total obligations	1,144	1,042	1,039
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	1,093	1,042	1,039
22.22 Unobligated balance transferred from other accounts	52		
23.90 Total budgetary resources available for obligation	1,145	1,042	1,039
23.95 New obligations	-1,144	-1,042	-1,039
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	795	746	743
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	298	296	296
70.00 Total new budget authority (gross)	1,093	1,042	1,039
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance: Appropriation		151	133
73.10 New obligations	1,144	1,042	1,039
73.20 Total outlays (gross)	-993	-1,060	-1,039
74.40 Unpaid obligations, end of year: Obligated balance: Appropriation	151	133	133

General and special funds—Continued**SALARIES AND EXPENSES—Continued**
(INCLUDING TRANSFERS OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-0600-0-1-351	1996 actual	1997 est.	1998 est.
Outlays (gross), detail:			
86.90 Outlays from new current authority	695	613	610
86.93 Outlays from current balances		151	133
86.97 Outlays from new permanent authority	298	296	296
87.00 Total outlays (gross)	993	1,060	1,039
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-264	-272	-274
88.40 Non-Federal sources	-34	-24	-22
88.90 Total, offsetting collections (cash)	-298	-296	-296
Net budget authority and outlays:			
89.00 Budget authority	795	746	743
90.00 Outlays	695	764	743

The Farm Service Agency (FSA) administers a variety of activities, such as farm income support programs through various loans and payments; the Conservation Reserve Program (CRP) and the Emergency Conservation Program; 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.

The Department of Agriculture Reorganization Act of 1994 was amended on April 4, 1996, by the Federal Agriculture Improvement and Reform Act of 1996 (the 1996 Act), P.L. 104-127. The 1996 Act required the Secretary to establish an independent Office of Risk Management to supervise the Federal Crop Insurance Corporation activities. The official transfer of the risk management functions, personnel, property, and funds from FSA to the newly established Risk Management Agency was completed by October 1, 1996.

Program formulation and appraisal.—The supply adjustment, conservation, and farm income support programs, and the management and merchandising of commodities acquired under the support program, have a significant impact on the national and (to a lesser extent) the international economy. This activity provides for the review and analysis of the effectiveness of these programs.

Inventory management and merchandising.—This activity includes: (a) overall management of CCC-owned commodities; (b) purchasing commodities; (c) donating commodities; (d) selling commodities; and (e) accounting for loans and commodities.

Warehouse examination.—This activity 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.

Operation of supply adjustment, conservation and farm income programs.—This activity includes all functions dealing with the administration of programs carried out through the farmer committee system of the FSA, including: (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 histories; (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 allotted acreage can be marketed without penalty; (i) processing producer requests for conservation cost-sharing and issuing conservation reserve rental payments; (j) issuing checks for other conservation programs; (k) processing commodity loan documents and issuing checks; (l) processing production flexibility contract payments and issuing checks; and (m) certifying payment eligibility and monitoring payment limitations.

Crop Loss Protection.—This activity includes administration of the Noninsured Crop Disaster Assistance Program (NAP) and delivery of catastrophic crop insurance protection (CAT) for RMA in States where a dual delivery system is in operation. The activities include developing NAP program regulations and procedures; accepting producer crop and production evidence for both CAT and NAP; accepting CAT service fees; processing producer requests for NAP assistance; providing documentation for NAP disaster area designations; and processing NAP payments and issuing indemnity checks.

Farm Credit Activities (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 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.

The budget assumes a consolidation of certain functions of the Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS) at the national headquarters level in 1998, including personnel, IRM, property and public affairs. The consolidation will foster operational efficiencies, as well as improved inter-agency communication and coordination. In addition, the number of field office service centers would be reduced from 2,500 to a maximum of 2,000 by the end of 1999.

A study will be conducted in 1997 by an independent entity to examine the FSA and NRCS for opportunities for further coordinating and reducing costs in these agencies, including alternative means of program delivery, such as centralized servicing for AMTA payments and CCC non-recourse loans, and consolidation of the two agencies' operations.

USDA will coordinate and significantly reduce the paperwork burden of information collections required by the FSA,

NRCS, and crop insurance activities and programs. This will similarly reduce the administrative burden of these agencies. The initiative should improve customer service and program performance by critically evaluating current regulations and information collections to improve information sharing between USDA components and the private sector, reduce duplication and inconsistencies, and better accomplish performance goals.

Object Classification (in millions of dollars)			
Identification code 12-0600-0-1-351	1996 actual	1997 est.	1998 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	136	110	105
11.3 Other than full-time permanent	10	9	9
11.5 Other personnel compensation	2	4	4
11.9 Total personnel compensation	148	123	118
12.1 Civilian personnel benefits	33	28	29
13.0 Benefits for former personnel		8	5
21.0 Travel and transportation of persons	6	5	6
22.0 Transportation of things	1	1	1
23.2 Rental payments to others	6	6	6
23.3 Communications, utilities, and miscellaneous charges	12	16	16
24.0 Printing and reproduction	2	2	2
25.2 Other services	31	23	24
26.0 Supplies and materials	5	5	5
31.0 Equipment	2	2	2
41.0 Grants, subsidies, and contributions	600	527	529
99.0 Subtotal, direct obligations	846	746	743
99.0 Reimbursable obligations	298	296	296
99.9 Total obligations	1,144	1,042	1,039

Personnel Summary

Identification code 12-0600-0-1-351	1996 actual	1997 est.	1998 est.
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment	3,269	2,545	2,341
1005 Full-time equivalent of overtime and holiday hours	25	28	28
Reimbursable:			
Total compensable workyears:			
2001 Full-time equivalent employment	3,548	3,601	3,536
2005 Full-time equivalent of overtime and holiday hours	3	3	3

CONSERVATION RESERVE PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3319-0-1-302	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Cost-sharing assistance	1		
00.02 Annual rental payments	1,721	-4	-4
00.04 Technical assistance	3	95	24
10.00 Total obligations	1,725	91	20
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	122	111	20
22.00 New budget authority (gross)	1,782		
22.21 Unobligated balance transferred to other accounts	-68		
23.90 Total budgetary resources available for obligation	1,836	111	20
23.95 New obligations	-1,725	-91	-20
24.40 Unobligated balance available, end of year:			
Uninvested balance	111	20	
New budget authority (gross), detail:			
40.00 Appropriation	1,782		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	5		7
73.10 New obligations	1,725	91	20

73.20 Total outlays (gross)	-1,730	-84	-27
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation		7	
Outlays (gross), detail:			
86.90 Outlays from new current authority	1,671		
86.93 Outlays from current balances	59	84	27
87.00 Total outlays (gross)	1,730	84	27
Net budget authority and outlays:			
89.00 Budget authority	1,782		
90.00 Outlays	1,730	84	27

RECONCILIATION OF PROGRAM LEVEL TO APPROPRIATION

	[In millions of dollars]		
	1996 actual	1997 est.	1998 est.
Annual rental payments	1,721	-4	-4
Cost-sharing assistance	1		
Technical assistance	3	95	24
Total program level, current year	1,725	91	20
Add:			
Funds transferred to other accounts	+64		
Change in unobligated balances	-11	-91	-20
Appropriation, net	1,782		

The Conservation Reserve Program (CRP) was mandated by sections 1231-1244 of the Food Security Act of 1985 (Public Law 99-198), as amended by sections 1411-1499 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624), and the Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66), to establish permanent cover on highly erodible cropland and on cropland posing environmental threats. The primary objectives of the CRP are to help farmers control critical soil erosion that occurs on about a third of America's highly erodible and environmentally sensitive cropland, to decrease production of some surplus agricultural commodities, and to increase wildlife habitat and water quality primarily in agricultural regions.

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

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 program is administered through the Commodity Credit Corporation (CCC) by State and local committees working under the general direction of the Secretary.

In fiscal year 1996, a continuous signup began in September and is scheduled to be available indefinitely. The purpose of the continuous signup is to provide management flexibility to farmers and ranchers to implement certain high priority environmental practices, such as filter strips, riparian buffers, windbreaks, grassed waterways, or shallow water areas for wildlife on small acreages. There is not a competitive bidding

General and special funds—Continued

CONSERVATION RESERVE PROGRAM—Continued

process, and land can be immediately accepted once it has been determined that it is basically eligible.

A participant who entered into a contract before January 1, 1995, may terminate the contract at any time if the contract has been in effect for at least 5 years. This termination is subject to a 60-day notice to USDA. However, CRP acres with filter strips, grass waterways, riparian areas, windbreaks, shelterbelts, acres having an erodibility index greater than 15, wetlands, and other lands with high environmental benefits as determined by the Secretary are ineligible for early withdrawal. Producers will receive prorated rental payments for contracts that are withdrawn before the end of the fiscal year. The 1996 Act further stipulates that early withdrawal of a CRP contract shall not affect the ability of the owner or operator to submit a bid to re-enroll the land in the CRP at a future date.

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

Object Classification (in millions of dollars)

Identification code 12-3319-0-1-302	1996 actual	1997 est.	1998 est.
25.2 Other services	3	95	24
41.0 Grants, subsidies, and contributions	1,722	-4	-4
99.9 Total obligations	1,725	91	20

SALARIES AND EXPENSES

Program and Financing (in millions of dollars)

Identification code 12-3300-0-1-351	1996 actual	1997 est.	1998 est.
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	52	8	
73.20 Total outlays (gross)	-44	-8	
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	8		
Outlays (gross), detail:			
86.93 Outlays from current balances	44	8	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	44	8	

Prior to the reorganization of USDA, Congress provided a separate 1995 appropriation for Agricultural Stabilization and Conservation Service (ASCS) administrative expenses. For 1996, a consolidated appropriation account was enacted for all FSA administrative expenses, which include the activities of the former ASCS now administered by the FSA. The schedule shown here reflects adjustments to the 1995 ASCS account.

AGRICULTURAL CONSERVATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3315-0-1-302	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	104		
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	31	2	2
22.00 New budget authority (gross)	75		
23.90 Total budgetary resources available for obligation	106	2	2

23.95 New obligations	-104		
24.40 Unobligated balance available, end of year:			
Uninvested balance	2	2	2
New budget authority (gross), detail:			
40.00 Appropriation	75		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	158	161	61
73.10 New obligations	104		
73.20 Total outlays (gross)	-101	-100	-29
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	161	61	32
Outlays (gross), detail:			
86.90 Outlays from new current authority	21		
86.93 Outlays from current balances	80	100	29
87.00 Total outlays (gross)	101	100	29
Net budget authority and outlays:			
89.00 Budget authority	75		
90.00 Outlays	101	100	29

This program was terminated at the beginning of 1997 in accordance with the Federal Agriculture Improvement and Reform Act of 1996.

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.

The program is administered by county committees, with review and approval by State committees and the Secretary. Technical assistance is provided by the Natural Resources Conservation Service and by the Forest Service.

The 1996 program level of \$75 million was allocated to States based on the highest priority soil and water resource problems and treated 2.9 million acres. Practices prevented approximately 12 million tons of soil erosion and saved 340,879 acre-feet of water.

STATE MEDIATION GRANTS

For grants pursuant to section 502(b) of the Agricultural Credit Act of 1987, as amended (7 U.S.C. 5101-5106), [\$2,000,000] \$4,000,000. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.)

Program and Financing (in millions of dollars)

Identification code 12-0170-0-1-351	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	2	2	4
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	2	2	4
23.95 New obligations	-2	-2	-4
New budget authority (gross), detail:			
40.00 Appropriation	2	2	4
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	2	2	2
73.10 New obligations	2	2	4
73.20 Total outlays (gross)	-2	-2	-3
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	2	2	3
Outlays (gross), detail:			
86.90 Outlays from new current authority	1	1	2
86.93 Outlays from current balances	1	1	1
87.00 Total outlays (gross)	2	2	3
Net budget authority and outlays:			
89.00 Budget authority	2	2	4

90.00 Outlays	2	2	3
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This grant program is authorized by Title V of the Agricultural Credit Act of 1987, P.L. 100-233, as amended. 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

	1996 actual	1997 est.	1998 est.
Number of grants	16	21	25
Amount of grants (in millions of dollars)	2	2	4

[EMERGENCY CONSERVATION PROGRAM]

[For an additional amount for emergency expenses resulting from the effects of Hurricanes Fran and Hortense and other natural disasters, \$25,000,000, to remain available until expended: *Provided*, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.] (*Omnibus Consolidated Appropriations Act, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-3316-0-1-453	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	18	47	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	16	24	2
22.00 New budget authority (gross)	30	25	
22.30 Unobligated balance expiring	-4		
23.90 Total budgetary resources available for obligation	42	49	2
23.95 New obligations	-18	-47	
24.40 Unobligated balance available, end of year:			
Uninvested balance	24	2	
New budget authority (gross), detail:			
40.00 Appropriation	30	25	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	26	18	7
73.10 New obligations	18	47	
73.20 Total outlays (gross)	-25	-58	-7
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	18	7	
Outlays (gross), detail:			
86.90 Outlays from new current authority		16	
86.93 Outlays from current balances	25	42	7
87.00 Total outlays (gross)	25	58	7
Net budget authority and outlays:			
89.00 Budget authority	30	25	
90.00 Outlays	25	58	7

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.

In 1996, pursuant to P.L. 104-134, enacted April 26, 1996, \$30 million in supplemental funding was provided to the Emergency Conservation Program, to remain available until expended. Under the 1996 program, cost-sharing and technical assistance were provided in 40 States as well as the Virgin Islands and Guam to treat farmlands damaged by floods, hurricanes, tornadoes, and wildfires. The 1996 program rehabilitated approximately 1,354,417 acres of farmland

damaged by these natural disasters as well as Hurricanes Andrew and Iniki, Typhoon Omar, and the Midwest Flood of 1993.

No funding was provided in the 1997 Agriculture Appropriations Act for this program. However, \$25 million in supplemental funding was provided in the 1997 Omnibus Consolidated Appropriations Act, P.L. 104-208, enacted September 30, 1996. The 1998 budget proposes no funding.

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 amended, 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, 1997.*)

Public enterprise funds:

COMMODITY CREDIT CORPORATION FUND
REIMBURSEMENT FOR NET REALIZED LOSSES

For fiscal year [1997] 1998, such sums as may be necessary to reimburse the Commodity Credit Corporation for net realized losses sustained, but not previously reimbursed [(estimated to be \$1,500,000,000 in the President's fiscal year 1997 Budget Request (H. Doc. 104-162)), but not to exceed \$1,500,000,000], pursuant to section 2 of the Act of August 17, 1961, as amended (15 U.S.C. 713a-11): *Provided*, That the total amount of all allotments and fund transfers from the Corporation, authorized in section 11 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714), is reduced by \$10,000,000.

OPERATIONS AND MAINTENANCE FOR HAZARDOUS WASTE
MANAGEMENT

For fiscal year [1997] 1998, 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, as amended, 42 U.S.C. 9607(g), and section 6001 of the Resource Conservation and Recovery Act, as amended, 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, 1997.*)

Unavailable Collections (in millions of dollars)

Identification code 12-4336-0-3-999	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year			
Receipts:			
02.01 70% customs duties on wool, reimbursement for costs of National Wool Act	107		
Appropriation:			
05.01 Commodity credit corporation fund	-107		

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

EMERGING MARKETS EXPORT CREDIT—Continued

Unavailable Collections (in millions of dollars)—Continued

Identification code 12-4336-0-3-999	1996 actual	1997 est.	1998 est.
07.99 Total balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-4336-0-3-999	1996 actual	1997 est.	1998 est.
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Obligations by program activity:

Support and related programs:				
00.01	Commodity purchases and related inventory transactions	641	682	640
00.02	Storage, transportation, and other obligations not included above	512	371	829
00.03	Feed Grains	2,138	3,795	3,076
Direct producer payments:				
00.04	Wheat	1,952	1,397	1,493
00.05	Rice	455	459	490
00.06	Cotton	692	604	761
00.07	Wool and mohair	56		
00.08	Crop Option Pilot Program	5		
00.09	Noninsured Assistance Program	60	60	60
00.10	Oilseeds Loan Deficiency		2	8
00.11	Certificates issued	2		
00.12	Crop disaster	15		
00.13	Livestock Assistance/DRAP	79	48	
00.14	Operating expenses: Conservation Reserve Program	2	1,774	1,913
00.15	Environmental Quality Incentives Program—EQIP	118	180	180
00.16	Wetlands Reserve Program		119	164
00.17	Farmland Protection Program	14	2	17
00.18	Conservation Farm Option		2	11
00.19	Wildlife Habitat Incentives Program		15	23
00.20	Flood Risk Reduction Program		10	
00.21	Reimbursement Agreement & Transfers to State & Federal agencies	49	41	36
Interest expenses:				
00.22	Treasury	247	344	337
00.23	Other	18	17	17
Conservation Program Technical Assistance:				
00.25	EQIP Technical Assistance	6	20	20
00.26	Other technical Assistance	1		
00.91	Total Operating Expenses	7,062	9,942	10,075
Direct loans:				
Capital investment:				
01.01	Commodity loans	5,137	6,174	7,922
01.02	Purchase of administrative equipment	94	57	19
01.91	Total capital investment	5,231	6,231	7,941
01.92	Total support & related programs	12,293	16,173	18,016
Special activities:				
Operating expenses:				
02.01	Commodities procured—PL 480 Titles II & III			
	Commod Costs	506	560	560
02.02	Other PL 480 operating Expenses	292	321	317
02.91	Total special activities	798	881	877
10.00	Total obligations	13,091	17,054	18,893

Budgetary resources available for obligation:

22.00	New budget authority (gross)	13,184	17,071	18,893
22.21	Unobligated balance transferred to other accounts	-93	-42	
22.22	Unobligated balance transferred from other accounts		25	
23.90	Total budgetary resources available for obligation	13,091	17,054	18,893
23.95	New obligations	-13,091	-17,054	-18,893

New budget authority (gross), detail:

Current:				
40.00	Appropriation	10,395	1,500	784
40.47	Portion applied to debt reduction	-10,395	-1,500	-784
43.00	Appropriation (total)			
47.35	Authority to borrow rescinded			-10
Permanent:				
60.25	Appropriation (special fund, indefinite)	107		

67.10	Authority to borrow	4,740	8,789	9,484
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	8,337	8,282	9,419
70.00	Total new budget authority (gross)	13,184	17,071	18,893

Change in unpaid obligations:

Unpaid obligations, start of year:				
Obligated balance:				
72.47	Authority to borrow	22,918	29,504	30,732
72.90	Fund balance	83	1,437	1,437
72.99	Total unpaid obligations, start of year	23,001	30,941	32,169
73.10	New obligations	13,091	17,054	18,893
73.20	Total outlays (gross)	-13,610	-15,826	-18,998
73.40	Adjustments in expired accounts	8,459		
Unpaid obligations, end of year:				
Obligated balance:				
74.47	Authority to borrow	29,504	30,732	30,627
74.90	Fund balance	1,437	1,437	1,437
74.99	Total unpaid obligations, end of year	30,941	32,169	32,064

Outlays (gross), detail:

86.90	Outlays from new current authority	5		-10
86.93	Outlays from current balances			
86.97	Outlays from new permanent authority	4,743	7,843	7,959
86.98	Outlays from permanent balances	8,862	7,983	11,049
87.00	Total outlays (gross)	13,610	15,826	18,998

Offsets:

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Federal sources:				
88.00	Federal sources-Sales to special activities	-506	-560	-560
88.00	Other revenue	-4		
88.00	Advance from foreign assistance programs (P.L. 480)	-908	-880	-877
Non-Federal sources:				
(62 stat.1070): Support and related programs:				
88.40	Sales and other proceeds	-381	-116	
88.40	Assessments	-220	-66	-69
88.40	Interest revenue	-160	-220	-190
88.40	Other revenue	-7		
88.40	Loans repaid	-6,112	-6,407	-7,688
88.40	Export Credit sales program repayments	-2	-3	-6
88.40	Sales of Inventory on credit terms repayments	-2		
88.40	Interest revenue	-35	-30	-29
88.90	Total, offsetting collections (cash)	-8,337	-8,282	-9,419

Net budget authority and outlays:

89.00	Budget authority	4,847	8,789	9,474
90.00	Outlays	5,273	7,544	9,579

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:				
	Budget Authority	4,847	8,789	9,474
	Outlays	5,273	7,544	9,579
Legislative proposal, subject to PAYGO:				
	Budget Authority			-25
	Outlays			-25
Total:				
	Budget Authority	4,847	8,789	9,449
	Outlays	5,273	7,544	9,554

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.

Status of Direct Loans (in millions of dollars)

Identification code 12-4336-0-3-999	1996 actual	1997 est.	1998 est.	
SHORT TERM CREDIT LOANS				
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	385	388	385
1251	Repayments: Repayments and prepayments	-2	-3	-6
1261	Adjustments: Capitalized interest	5		

1290	Outstanding, end of year	388	385	379
COMMODITY LOANS				
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans			
1131	Direct loan obligations exempt from limitation	5,137	6,174	7,922
1150	Total direct loan obligations	5,137	6,174	7,922
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	2,369	1,254	1,021
1231	Disbursements: Direct loan disbursements	5,137	6,174	7,922
1251	Repayments: Repayments and prepayments	-6,112	-6,407	-7,687
1264	Write-offs for default: Other adjustments, net	-140		
1290	Outstanding, end of year	1,254	1,021	1,256
SALES OF INVENTORY ON CREDIT TERMS				
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	32	30	30
1251	Repayments: Repayments and prepayments	-2		
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. Funding available for transfers or reimbursable agreements under Section 11 of the CCC Charter Act have been reduced by \$10 million in 1998 to reflect the direct appropriation of funds for the Emerging Markets Program through FAS.

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 1997 and 1998 budget estimates: (a) national income will rise both in 1997 and 1998 from the present level; (b) 1997 crop production will increase from 1996 crop levels for most commodities; (c) generally, exports of agricultural commodities in 1998 are expected to be higher than 1997 levels; (d) yields for the 1997 crops are based on recent averages adjusted for trend; (e) acreage allotments and marketing quotas will be in effect for the 1997 crops of certain kinds of tobacco; and (f) pound-age quotas will be in effect for the 1997 crop of peanuts.

It is difficult to accurately forecast requirements for the year ending September 30, 1998, 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. Only very minimal CCC funds were used from program operations in fiscal year 1996 since annual rental payments had been made very early in the fiscal year using CRP appropriated funds. The CRP is assumed to be gradually increased to 36.4 million acres by 2001. The crop assumptions reflect a new enrollment in 1997 to add approximately 19.0 million acres, and enrollment of new and expiring acreage is assumed to be guided by eligibility and selection criteria presented in the proposed rule announced September 23, 1996.

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 in 1997. USDA's goal is that lands selected for the CRP in 1997 will only be those lands where the benefits to the Nation of retirement are greater than the benefits of continued production. Land retired in 1997 also may include high-priority partial-field lands that are retired through the continuous signup process and acreage proposed by States.

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

1998 ESTIMATE				
[In millions of dollars]				
Program	Gross obligations	Net outlays	Net realized loss for year	
Farm income and price support:				
Commodity loans	7,922	234	0	
Feed grain payments	3,076	3,076	3,076	
Wheat payments	1,493	1,493	1,493	
Rice payments	490	490	490	
Cotton payments	761	761	761	
Export Enhancement Program	500	500	500	
Other support and related	952	285	324	
Other items not distributed by program:				
Interest	354	140	135	
All other	122	408	146	
Total, farm income and price-support programs	15,670	7,387	6,925	
Conservation programs:				
Conservation reserve program	1,928	1,928	1,916	
Environmental quality incentives program	200	109	109	
Wetlands reserve program	164	129	129	
Farmland protection program	18	18	18	
Conservation farm option program	15	4	4	
Wildlife habitat incentives program	22	4	4	
Total, conservation programs	2,347	2,192	2,180	
Total, Commodity Credit Corporation	18,017	9,579	9,105	

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

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

PROGRAMS OF THE CORPORATION—Continued

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 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 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997 (the 1997 Act) limits new obligations under FPP to \$2.0 million in fiscal year 1997.

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. How-

ever, the 1997 Act limits new obligations under CFO to \$2.0 million 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]		
	1996 actual	1997 est.	1998 est.
Loans outstanding, gross, start of year:			
Commodity Credit Corporation	2,368	1,254	1,021
Additional loans made	5,137	6,174	7,923
Deduct:			
Loans repaid	—6,112	—6,407	—7,688
Write-offs	—139		
Total loans outstanding, gross, end of year	1,254	1,021	1,256
Loans outstanding, gross, end of year:			
Commodity Credit Corporation	1,254	1,021	1,256
Loans receivable, net	1,254	1,021	1,256

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

AGRICULTURAL COMMODITIES

Item	[In millions of dollars]		
	1996 actual	1997 est.	1998 est.
On hand, start of year, gross	702	485	423
Acquisitions:			
Purchases	636	683	640
Carrying charges:			
Charges to inventory	5		
Storage and handling (non-add)	(45)	(36)	(35)
Transportation (non-add)	(1)	(2)	(1)
Total acquisitions	641	683	640
Dispositions:			
Domestic donations to:			
Institutions	10	2	
Total domestic donations	10	2	
Export donations	99	78	80
Sales and transfers:			
Special programs: Title II, Public Law 480	433	537	537
Title III, Public Law 480	74	22	23
Other sales	379	116	
Net loss or gain (—) on sales and transfers	—137	—10	
Total sales and transfers	749	665	560
Total dispositions	858	745	640
On hand, end of year, gross	485	423	423
On hand, end of year, net	485	423	423

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]		
	1996 actual	1997 est.	1998 est.
Loans made	5,137	6,174	7,923
Loans repaid	6,112	6,407	7,688
Loans outstanding, end of year	1,254	1,021	1,256
Acquisitions	641	683	640
Cost of commodities sold	749	665	560
Cost of commodities donated	109	80	80
Inventory, end of year	485	423	423
Investment in loans and inventory, end of year	1,740	1,444	1,679
Direct producer payments	5,902	7,239	8,034
Net expenditures	5,273	7,544	9,579
Realized losses	7,765	9,002	9,105

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 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

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

PROGRAMS OF THE CORPORATION—Continued

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 \$45.599 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	1998 estimate (In millions of dollars)	
	Gross obligations	Outlays (reimbursable)
(1) Financing sales of agricultural commodities for foreign currencies or for dollars on credit terms	123	177
(2) Commodities supplied in connection with dispositions abroad (Title II)	837	839
(3) Commodities supplied in connection with dispositions abroad (Title III)	30	31
Total	990	1,047

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]		
	1996 actual	1997 est.	1998 est.
Statutory borrowing authority	30,000	30,000	30,000
Deduct: Borrowings from Treasury	496	6,859	15,686
Net statutory borrowing authority available	29,504	23,141	14,314

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 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

Item	[In millions of dollars]	
	1996 actual	
Realized losses, 1933 to 1996, inclusive	244,921	
Reimbursements by the Treasury:		
Reimbursements of realized losses:		
Appropriations (57 times)	239,479	
Note cancellations (6 times)	2,698	
Less dividends paid to Treasury (4 times)	–138	
Total reimbursements for net realized losses	242,039	
Other reimbursements:		
Appropriations (2 times)	542	
Note cancellation (1 time)	56	
Total other reimbursements	598	

Total	242,637
Realized deficit as of September 30, 1996, support and related programs	2,284

SPECIAL ACTIVITIES

Realized losses, 1948 to 1996, inclusive	53,355
Excess amounts appropriated to reimburse cost of special activities	578
Transfer of P.L. 480 funds to credit reform account	555
Reimbursements by the Treasury:	
Appropriations (50 times)	53,918
Note cancellations (4 times)	536
Other reimbursements: Sale proceeds (5 times)	34
Total reimbursements	54,488
Realized deficit as of September 30, 1996, special activities	

Statement of Operations (in millions of dollars)

Identification code 12-4336-0-3-999	1995 actual	1996 actual	1997 est.	1998 est.
0101 Revenue	1,933	1,083	1,425	1,366
0102 Expense	-3,498	-8,848	-10,427	-10,471
0109 Net income or loss (-)	-1,565	-7,765	-9,002	-9,105

Balance Sheet (in millions of dollars)

Identification code 12-4336-0-3-999	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	-704	-1,596	-469	-469
Investments in US securities:				
1106 Receivables, net	5,473	2,489	10,028	18,362
1107 Advances and prepayments	66	54	54	54
Non-Federal assets:				
1206 Receivables, net	1,774	1,185	105	85
1207 Advances and prepayments	7	14	14	14
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	2,754	1,643	1,406	1,635
1602 Interest receivable	236	193	188	200
1603 Allowance for estimated uncollectible loans and interest (-)	-88	-82	-80	-78
1604 Direct loans and interest receivable, net	2,902	1,754	1,514	1,757
1699 Value of assets related to direct loans	2,902	1,754	1,514	1,757
1701 Defaulted guaranteed loans, gross	5,653	5,552	5,504	5,480
1702 Interest receivable	27	22	20	20
1703 Allowance for estimated uncollectible loans and interest (-)	-2,815	-2,815	-2,815	-2,815
1704 Defaulted guaranteed loans and interest receivable, net	2,865	2,759	2,709	2,685
1799 Value of assets related to loan guarantees	2,865	2,759	2,709	2,685
Other Federal assets:				
1801 Cash and other monetary assets	107	54	54	54
1802 Inventories and related properties	688	485	423	423
1803 Property, plant and equipment, net	97	95	92	67
1999 Total assets	13,275	7,293	14,524	23,032
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	2	8	8	8
2102 Interest payable	297		269	264
2103 Debt	7,081	496	6,694	15,787
2104 Resources payable to Treasury	3,042	2,801	2,700	2,821
2105 Other	390	398	398	398
Non-Federal liabilities:				
2201 Accounts payable	188	48	48	48
2204 Liabilities for loan guarantees	19	19	19	19
2207 Other	1,808	2,499	3,209	2,407
2999 Total liabilities	12,827	6,269	13,345	21,752
NET POSITION:				
3100 Appropriated capital	348	924	1,079	1,180
3200 Invested capital	100	100	100	100
3999 Total net position	448	1,024	1,179	1,280

4999 Total liabilities and net position	13,275	7,293	14,524	23,032
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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	1996 actual	1997 est.	1998 est.
Direct obligations:			
22.0 Transportation of things	362	353	348
Other services:			
25.2 Other services	245	113	141
25.2 Other services: Storage and handling	45	36	35
26.0 Supplies and materials: Costs of Commodities Sold or Donated-PL 480	641	683	640
31.0 Equipment	94	57	19
41.0 Grants, subsidies, and contributions	5,797	8,717	8,874
43.0 Interest and dividends	264	361	354
99.0 Subtotal, direct obligations	7,448	10,320	10,411
Reimbursable obligations:			
26.0 Supplies and materials: Cost of commodities sold or donated—PL 480	506	560	560
33.0 Investments and loans	5,137	6,174	7,922
99.0 Subtotal, reimbursable obligations	5,643	6,734	8,482
99.9 Total obligations	13,091	17,054	18,893

COMMODITY CREDIT CORPORATION FUND

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-4336-4-3-999	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Support and related programs:			
Operating expenses:			
Direct producer payments:			
Conservation Program: Direct Producer Payments:			
00.14 Total Operating Expenses			-25
10.00 Total obligations (object class 41.0)			-25
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			-25
23.95 New obligations			25
New budget authority (gross), detail:			
67.10 Authority to borrow			-25
			-25
Change in unpaid obligations:			
73.10 New obligations			-25
73.20 Total outlays (gross)			25
Outlays (gross), detail:			
86.97 Outlays from new permanent authority			-25
Net budget authority and outlays:			
89.00 Budget authority			-25
90.00 Outlays			-25

This schedule reflects proposed savings to offset the Administration's proposal to strengthen the farm program safety net. (See discussion under crop insurance.) This proposal would amend current Conservation Reserve Program (CRP) haying and grazing provisions, which have resulted in over-grazing in some areas because of repeated emergency designations, to permit haying and grazing on CRP acreage once every three years in exchange for a 50 percent reduction in the contract rental payment. The change is estimated to reduce CRP outlays by \$25 million per year.

Public enterprise funds—Continued

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] \$3,975,000**; 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] \$3,327,000** 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] \$648,000** 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, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-1336-0-1-351	1996 actual	1997 est.	1998 est.	
Obligations by program activity:				
00.02	Guaranteed Loan Subsidy	328	390	528
00.07	Reestimates of guaranteed loan subsidy	45		
00.08	Interest on reestimates of guaranteed loan subsidy	4		
00.09	Administrative expenses	3	4	4
10.00	Total obligations	380	394	532
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year:			
	Uninvested balance	82	620	220
22.00	New budget authority (gross)	999	4	350
22.10	Resources available from recoveries of prior year obligations		38	
22.40	Capital transfer to general fund	-81	-48	-37
23.90	Total budgetary resources available for obligation	1,000	614	533
23.95	New obligations	-380	-394	-532
24.40	Unobligated balance available, end of year:			
	Uninvested balance	620	220	
New budget authority (gross), detail:				
Current:				
40.00	Appropriation	3	4	4
Permanent:				
60.05	Appropriation (indefinite)	424		346
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	572		
70.00	Total new budget authority (gross)	999	4	350
Change in unpaid obligations:				
72.90	Unpaid obligations, start of year: Obligated balance:			
	Fund balance	78	117	39
73.10	New obligations	380	394	532
73.20	Total outlays (gross)	-342	-434	-518
73.45	Adjustments in unexpired accounts		-38	
74.90	Unpaid obligations, end of year: Obligated balance:			
	Fund balance	117	39	54
Outlays (gross), detail:				
86.90	Outlays from new current authority	3	4	4
86.97	Outlays from new permanent authority	303		294
86.98	Outlays from permanent balances	36	430	220
87.00	Total outlays (gross)	342	434	518
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Downward Re-estimate	-572		
Net budget authority and outlays:				
89.00	Budget authority	427	4	350
90.00	Outlays	-230	434	518

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

Identification code 12-1336-0-1-351	1996 actual	1997 est.	1998 est.	
Guaranteed loan levels supportable by subsidy budget authority:				
2150	Loan guarantee levels	3,230	5,500	5,700
2159	Total loan guarantee levels	3,230	5,500	5,700
Guaranteed loan subsidy (in percent):				
2320	Subsidy rate	10.20	8.00	9.26
2329	Weighted average subsidy rate	10.20	8.00	9.26
Guaranteed loan subsidy budget authority:				
2330	Subsidy budget authority	328	390	528
2339	Total subsidy budget authority	328	390	528
Guaranteed loan subsidy outlays:				
2340	Subsidy outlays	339	430	514
2349	Total subsidy outlays	339	430	514
Administrative expense data:				
3510	Budget authority—administrative expenses	3	4	4
3590	Outlays—administrative expenses	3	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 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 50 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. The risk premia usually do not change from year to year.

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.

Object Classification (in millions of dollars)

Identification code 12-1336-0-1-351	1996 actual	1997 est.	1998 est.
25.3 Purchases of goods and services from Government accounts	3	4	4
41.0 Grants, subsidies, and contributions	377	390	528
99.9 Total obligations	380	394	532

COMMODITY CREDIT CORPORATION EXPORT GUARANTEE FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4337-0-3-351	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Default claims	202	246	330
00.02 Interest on debt to Treasury	61		
00.07 Technical reestimate of subsidy	471		
00.08 Technical reestimate—interest	101		
10.00 Total obligations	835	246	330
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	310	689	926
22.00 New financing authority (gross)	1,153	483	586
22.10 Resources available from recoveries of prior year obligations	61		
23.90 Total budgetary resources available for obligation	1,524	1,172	1,512
23.95 New obligations	-835	-246	-330
24.90 Unobligated balance available, end of year: Fund balance	689	926	1,182
New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)	700		
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	453	578	685
68.47 Portion applied to debt reduction		-95	-99
68.90 Spending authority from offsetting collections (total)	453	483	586
70.00 Total new financing authority (gross)	1,153	483	586
Change in unpaid obligations:			
73.10 New obligations	835	246	330
73.20 Total financing disbursements (gross)	-774	-246	-330
73.45 Adjustments in unexpired accounts	-61		
77.00 Total financing disbursements (gross)	774	246	330

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Payments from program account	-339	-430	-514
88.25 Interest on uninvested funds	-26	-8	-29
Non-Federal sources:			
88.40 Loan origination fee	-20	-45	-43
88.40 Principal collections	-6	-1	-4
88.40 Interest collections	-62	-94	-95
88.90 Total, offsetting collections (cash)	-453	-578	-685

Net financing authority and financing disbursements:

89.00 Financing authority	700	-95	-99
90.00 Financing disbursements	321	-332	-355

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4337-0-3-351	1996 actual	1997 est.	1998 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	5,700	5,500	5,700
2150 Total guaranteed loan commitments	5,700	5,500	5,700

Cumulative balance of guaranteed loans outstanding:

2210 Outstanding, start of year	4,874	5,323	8,052
2231 Disbursements of new guaranteed loans	3,312	5,500	5,700
2251 Repayments and prepayments	-2,664	-2,525	-3,336
Adjustments:			
2261 Terminations for default that result in loans receivable	-201	-246	-330
2264 Other adjustments, net	2		
2290 Outstanding, end of year	5,323	8,052	10,086

Memorandum:

2299 Guaranteed amount of guaranteed loans outstanding, end of year	5,269	7,650	9,643
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Addendum:

Cumulative balance of defaulted guaranteed loans that result in loans receivable:

2310 Outstanding, start of year	1,094	1,294	1,539
2331 Disbursements for guaranteed loan claims	201	246	330
2351 Repayments of loans receivable	-7	-1	-3
2364 Other adjustments, net	6		
2390 Outstanding, end of year	1,294	1,539	1,866

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	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	310	689	926	1,182
Investments in US securities:				
1106 Receivables, net		77		
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross	1,094	1,294	1,539	1,866
1599 Net present value of assets related to defaulted guaranteed loans	1,094	1,294	1,539	1,866
1999 Total assets	1,404	2,060	2,465	3,048
LIABILITIES:				
2103 Federal liabilities: Debt		851	851	851
2204 Non-Federal liabilities: Liabilities for loan guarantees	1,404	1,209	1,614	2,197
2999 Total liabilities	1,404	2,060	2,465	3,048
NET POSITION:				
3100 Appropriated capital				
3999 Total net position				
4999 Total liabilities and net position	1,404	2,060	2,465	3,048

COMMODITY CREDIT CORPORATION GUARANTEED LOANS LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4338-0-3-351	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
01.01 Capital investment: Direct loans: Guarantee claims	44	2	
10.00 Total obligations (object class 33.0)	44	2	

Budgetary resources available for obligation:

21.40 Unobligated balance available, start of year:			
Uninvested balance	134	64	62
22.00 New budget authority (gross)	441	214	172
22.40 Capital transfer to general fund	-467	-214	-172

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION EXPORT GUARANTEE FINANCING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4338-0-3-351	1996 actual	1997 est.	1998 est.
23.90 Total budgetary resources available for obligation	108	64	62
23.95 New obligations	-44	-2	
24.40 Unobligated balance available, end of year:			
Uninvested balance	64	62	62
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	441	214	172
Change in unpaid obligations:			
73.10 New obligations	44	2	
73.20 Total outlays (gross)	-44	-2	
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	44	2	
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Repayments of principal	-163	-50	-24
88.40 Interest received on loans	-278	-164	-148
88.90 Total, offsetting collections (cash)	-441	-214	-172
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-397	-212	-172

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	1996 actual	1997 est.	1998 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	206	91	6
2251 Repayments and prepayments	-95	-83	-6
2261 Adjustments: Terminations for default that result in loans receivable	-20	-2	
2290 Outstanding, end of year	91	6	
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	91	6	
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	5,209	5,067	5,019
2331 Disbursements for guaranteed loan claims	20	2	
2351 Repayments of loans receivable	-162	-50	-24
2390 Outstanding, end of year	5,067	5,019	4,995

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.

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, [\$600,000,000] \$430,828,000 of which [\$550,000,000] \$400,000,000 shall be for guaranteed loans; operating

loans, [\$2,345,071,000] \$2,350,000,000 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; 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;] 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, [\$27,975,000] \$19,460,000 of which [\$22,055,000] \$15,440,000 shall be for guaranteed loans; operating loans, [\$96,840,000], \$68,735,000 of which [\$19,210,000] \$19,890,000 shall be for unsubsidized guaranteed loans and [\$18,480,000] \$19,280,000 shall be for subsidized guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, [\$54,000] \$132,000; for emergency insured loans, [\$6,365,000] \$6,008,000 to meet the needs resulting from natural disasters [for boll weevil eradication program loans as authorized by 7 U.S.C. 1989, \$499,000]; and for credit sales of acquired property, [\$2,530,000] \$3,255,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, [\$221,046,000] \$219,861,000 of which [\$208,446,000] \$209,861,000 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, as amended (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, \$100,000, 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, 1997.*)

Unavailable Collections (in millions of dollars)

Identification code 12-1140-0-1-351	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year	102	141	141
Receipts:			
02.02 Agriculture credit insurance fund direct loans, downward reestimates of subsidies	39		
04.00 Total: Balances and collections	141	141	141
07.99 Total balance, end of year	141	141	141

Program and Financing (in millions of dollars)

Identification code 12-1140-0-1-351	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct loan subsidy	142	103	43
00.02 Guaranteed loan subsidy	50	60	55
00.05 Reestimates of direct loan subsidy	41		
00.06 Interest on reestimates of direct loan subsidy	10		
00.07 Reestimates of guaranteed loan subsidy	12		
00.08 Interest on reestimates of guaranteed loan subsidy	1		
Administrative expenses:			
00.09 Administrative expenses—salaries and expenses ...	209	208	210

00.10	Administrative expenses—non-recoverable costs	8	13	10
10.00	Total obligations	473	384	318
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year:			
	Uninvested balance		19	19
22.00	New budget authority (gross)	486	384	318
22.22	Unobligated balance transferred from other accounts	16		
22.30	Unobligated balance expiring	-10		
23.90	Total budgetary resources available for obligation	492	403	337
23.95	New obligations	-473	-384	-318
24.40	Unobligated balance available, end of year:			
	Uninvested balance	19	19	19
New budget authority (gross), detail:				
Current:				
40.00	Appropriation	422	384	318
Permanent:				
60.05	Appropriation (indefinite)	64		
70.00	Total new budget authority (gross)	486	384	318
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Appropriation	17	20	34
73.10	New obligations	473	384	318
73.20	Total outlays (gross)	-473	-370	-321
73.40	Adjustments in expired accounts	3		
74.40	Unpaid obligations, end of year: Obligated balance:			
	Appropriation	20	34	31
Outlays (gross), detail:				
86.90	Outlays from new current authority	394	355	301
86.93	Outlays from current balances	15	15	20
86.97	Outlays from new permanent authority	64		
87.00	Total outlays (gross)	473	370	321
Net budget authority and outlays:				
89.00	Budget authority	486	384	318
90.00	Outlays	473	370	321

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

Identification code 12-1140-0-1-351	1996 actual	1997 est.	1998 est.	
Direct loan levels supportable by subsidy budget authority:				
1150	Farm ownership	89	28	31
1150	Farm operating	567	470	450
1150	Emergency disaster	272	21	25
1150	Indian tribe land acquisition	1		1
1150	Credit sales of acquired property		14	25
1150	Boll weevil eradication		35	
1159	Total direct loan levels	929	568	532
Direct loan subsidy (in percent):				
1320	Farm ownership	19.04	21.03	13.04
1320	Farm operating	12.98	12.59	6.57
1320	Emergency disaster	29.34	30.41	24.03
1320	Indian tribe land acquisition	23.24	24.12	13.18
1320	Credit sales of acquired property	0.00	18.06	13.02
1320	Boll weevil eradication	0.00	1.44	3.19
1329	Weighted average subsidy rate	15.92	15.61	8.08
Direct loan subsidy budget authority:				
1330	Farm ownership	14	6	4
1330	Farm operating	74	59	30
1330	Emergency disaster	81	6	6
1330	Indian tribe land acquisition			
1330	Credit sales of acquired property		2	3
1330	Boll weevil eradication		1	
1339	Total subsidy budget authority	169	74	43
Direct loan subsidy outlays:				
1340	Farm ownership	15	8	4
1340	Farm operating	71	63	31
1340	Emergency disaster	50	30	6
1340	Indian tribe land acquisition			
1340	Credit sales of acquired property		2	3
1340	Boll weevil eradication			
1349	Total subsidy outlays	136	103	44

Guaranteed loan levels supportable by subsidy budget authority:				
2150	Farm ownership, unsubsidized	535	598	400
2150	Farm operating, unsubsidized	1,125	1,745	1,700
2150	Farm operating, subsidized	191	204	200
2159	Total loan guarantee levels	1,851	2,547	2,300
Guaranteed loan subsidy (in percent):				
2320	Farm ownership, unsubsidized	3.74	3.69	3.86
2320	Farm operating, unsubsidized	1.11	1.10	1.17
2320	Farm operating, subsidized	9.12	9.08	9.64
2329	Weighted average subsidy rate	2.36	2.34	2.37
Guaranteed loan subsidy budget authority:				
2330	Farmer ownership, unsubsidized	20	22	16
2330	Farm operating, unsubsidized	12	19	20
2330	Farm operating, subsidized	17	18	19
2339	Total subsidy budget authority	49	59	55
Guaranteed loan subsidy outlays:				
2340	Farmer ownership, unsubsidized	20	14	17
2340	Farm operating, unsubsidized	12	16	20
2340	Farm operating, subsidized	17	16	19
2349	Total subsidy outlays	49	46	56
Administrative expense data:				
3510	Budget authority	222	221	220
3590	Outlays	221	221	220

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, emergency, and soil and water loans to individuals. Associations, Indian tribes, and tribal corporations are eligible for the following types of loans: Indian land acquisition, and flood prevention.

Additional funding for emergency disaster loans was provided in fiscal year 1996 through the Secretary's interchange authority, and a fiscal year 1996 supplemental appropriation for emergency disaster loans was included in the 1997 Appropriations Act (P.L. 104-180), 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 1997, an estimated \$292 thousand will be paid to producers and manufacturers who file claims under the program.

The 1998 budget requests \$100 thousand for this program.

Object Classification (in millions of dollars)

Identification code 12-1140-0-1-351	1996 actual	1997 est.	1998 est.	
25.3	Purchases of goods and services from Government accounts	222	221	220
41.0	Grants, subsidies, and contributions	251	163	98
99.9	Total obligations	473	384	318

Credit accounts—Continued

AGRICULTURAL CREDIT INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4212-0-3-351	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct loans	833	662	532
00.02 Advances on behalf of borrowers	2	2	2
00.04 Interest on Treasury borrowing	155	108	119
00.08 Subsidy reestimate paid to receipt account	24		
10.00 Total obligations	1,014	772	653
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	314	288	390
22.00 New financing authority (gross)	1,513	1,275	1,127
22.10 Resources available from recoveries of prior year obligations	6		
22.60 Redemption of debt	-531	-400	-400
23.90 Total budgetary resources available for obligation	1,302	1,163	1,117
23.95 New obligations	-1,014	-772	-653
24.90 Unobligated balance available, end of year: Fund balance	288	390	464
New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)	833	663	532
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	674	617	600
68.10 Receivables from program account	6	-5	-5
68.90 Spending authority from offsetting collections (total)	680	612	595
70.00 Total new financing authority (gross)	1,513	1,275	1,127
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.90 Obligated balance: Obligated balance	40	68	33
72.95 Receivables from program account	9	15	10
72.99 Total unpaid obligations, start of year	49	83	43
73.10 New obligations	1,014	772	653
73.20 Total financing disbursements (gross)	-974	-812	-675
73.45 Adjustments in unexpired accounts	-6		
Unpaid obligations, end of year:			
74.90 Obligated balance: Obligated balance	68	33	16
74.95 Receivables from program account	15	10	5
74.99 Total unpaid obligations, end of year	83	43	21
87.00 Total financing disbursements (gross)	974	812	675
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources: Payments from program account	-191	-100	-43
88.25 Interest on uninvested funds	-67	-62	-57
Non-Federal sources:			
88.40 Repayments of principal	-348	-410	-455
88.40 Non-Federal sources	-68	-45	-45
88.90 Total, offsetting collections (cash)	-674	-617	-600
88.95 Change in receivables from program accounts	-6	5	5
Net financing authority and financing disbursements:			
89.00 Financing authority	833	663	532
90.00 Financing disbursements	300	195	75

Status of Direct Loans (in millions of dollars)

Identification code 12-4212-0-3-351	1996 actual	1997 est.	1998 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	929	663	532
1112 Unobligated direct loan limitation	-96		
1150 Total direct loan obligations	833	663	532

Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,655	2,026	2,222
1231 Disbursements: Direct loan disbursements	801	667	540
1251 Repayments: Repayments and prepayments	-416	-455	-500
1263 Write-offs for default: Direct loans	-14	-16	-17
1290 Outstanding, end of year	2,026	2,222	2,245

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.

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	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Investments in US securities:				
1106 Federal assets: Receivables, net	363	356	349	342
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	1,655	2,026	2,222	2,245
1402 Interest receivable	57	20	20	20
1403 Accounts receivable from foreclosed property	-448	16	20	20
1405 Allowance for subsidy cost (-)		-551		
1499 Net present value of assets related to direct loans	1,264	1,511	2,262	2,285
1999 Total assets	1,627	1,867	2,611	2,627
LIABILITIES:				
2103 Federal liabilities: Debt	1,615	1,850	2,596	2,612
2207 Non-Federal liabilities: Other	12	17	15	15
2999 Total liabilities	1,627	1,867	2,611	2,627
NET POSITION:				
3100 Appropriated capital				
3999 Total net position				
4999 Total liabilities and net position	1,627	1,867	2,611	2,627

AGRICULTURAL CREDIT INSURANCE FUND GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4213-0-3-351	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Default claims	31	35	39
00.02 Interest assistance on guaranteed loans	51	50	52
00.07 Negative subsidy transferred to receipt account	15		
10.00 Total obligations	97	85	91
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	79	98	113
22.00 New financing authority (gross)	107	100	91
22.10 Resources available from recoveries of prior year obligations	10		
23.90 Total budgetary resources available for obligation	196	198	204
23.95 New obligations	-97	-85	-91
24.90 Unobligated balance available, end of year: Fund balance	98	113	113
New financing authority (gross), detail:			
60.05 Appropriation (indefinite)	15		
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	92	100	91
70.00 Total new financing authority (gross)	107	100	91
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance:			
Obligated balance	124	144	128

73.10	New obligations	97	85	91
73.20	Total financing disbursements (gross)	-67	-101	-92
73.45	Adjustments in unexpired accounts	-10		
74.90	Unpaid obligations, end of year: Obligated balance:			
	Obligated balance	144	128	127
87.00	Total financing disbursements (gross)	67	101	92

Offsets:

	Against gross financing authority and financing disbursements:			
	Offsetting collections (cash) from:			
88.00	Payments from program account	-63	-60	-55
88.25	Interest on uninvested funds	-15	-15	-15
88.40	Fees and premiums	-14	-25	-21
88.90	Total, offsetting collections (cash)	-92	-100	-91

Net financing authority and financing disbursements:

89.00	Financing authority	15		
90.00	Financing disbursements	-24	1	1

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4213-0-3-351		1996 actual	1997 est.	1998 est.
	Position with respect to appropriations act limitation on commitments:			
2111	Limitation on guaranteed loans made by private lenders	1,851	2,547	2,300
2150	Total guaranteed loan commitments	1,851	2,547	2,300
	Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year	4,979	5,705	6,828
2231	Disbursements of new guaranteed loans	1,768	2,378	2,375
2251	Repayments and prepayments	-1,007	-1,255	-1,366
2263	Adjustments: Terminations for default that result in claim payments	-35		
2290	Outstanding, end of year	5,705	6,828	7,837
	Memorandum:			
2299	Guaranteed amount of guaranteed loans outstanding, end of year	5,134	6,145	7,053

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		1995 actual	1996 actual	1997 est.	1998 est.
	ASSETS:				
	Federal assets:				
1101	Fund balances with Treasury	202	242	291	341
	Investments in US securities:				
1106	Receivables, net				
1206	Non-Federal assets: Receivables, net				
1999	Total assets	202	242	291	341
	LIABILITIES:				
2102	Federal liabilities: Interest payable				
	Non-Federal liabilities:				
2201	Accounts payable	124	144	175	204
2203	Debt		15		
2204	Liabilities for loan guarantees	78	83	116	137
2999	Total liabilities	202	242	291	341
	NET POSITION:				
3300	Cumulative results of operations				
3999	Total net position				
4999	Total liabilities and net position	202	242	291	341

AGRICULTURAL CREDIT INSURANCE FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4140-0-3-351		1996 actual	1997 est.	1998 est.
	Obligations by program activity:			
	Capital investment:			
00.01	Purchase of loans from investors		1	1
00.04	Purchase of guaranteed loans from investors	1	1	1
00.07	Disbursement of loan repayments to investors		1	1
00.08	Loan recoverable costs	17	30	30
00.91	Total capital investment	18	33	33
	Operating expenses:			
01.03	Interest on FFB borrowings	67		
01.07	Loss settlement expenses on guaranteed loans	15	12	11
01.08	Administrative expenses—DOJ fees	3	1	1
01.09	Costs incident to acq prop	4	4	4
01.13	Interest assistance—guaranteed loans	2	2	2
01.17	Unclassified Costs	5	4	4
01.91	Total operating expenses	96	23	22
10.00	Total obligations	114	56	55

Budgetary resources available for obligation:

21.90	Unobligated balance available, start of year: Fund balance	806	347	341
22.00	New budget authority (gross)		50	50
22.10	Resources available from recoveries of prior year obligations	24		
22.40	Capital transfer to general fund	-200		
22.60	Redemption of debt	-169		
23.90	Total budgetary resources available for obligation	461	397	391
23.95	New obligations	-114	-56	-55
24.90	Unobligated balance available, end of year: Fund balance	347	341	336

New budget authority (gross), detail:

	Spending authority from offsetting collections:			
68.00	Offsetting collections (cash)	1,301	1,291	1,240
68.27	Capital transfer to general fund	-1,301	-1,241	-1,190
68.90	Spending authority from offsetting collections (total)		50	50
70.00	Total new budget authority (gross)		50	50

Change in unpaid obligations:

72.90	Unpaid obligations, start of year: Obligated balance:			
	Fund balance	172	99	112
73.10	New obligations	114	56	55
73.20	Total outlays (gross)	-163	-43	-167
73.45	Adjustments in unexpired accounts	-24		
74.90	Unpaid obligations, end of year: Obligated balance:			
	Fund balance	99	112	

Outlays (gross), detail:

86.97	Outlays from new permanent authority		43	50
86.98	Outlays from permanent balances	163		117
87.00	Total outlays (gross)	163	43	167

Offsets:

	Against gross budget authority and outlays:			
	Offsetting collections (cash) from:			
	Non-Federal sources:			
88.40	Rent on acquired property	-7	-7	-6
88.40	Guaranteed lns purchased from holders—principal	-1	-1	-1
88.40	Interest on loans	-470	-450	-450
88.40	Guaranteed loss recoveries	-1	-1	-1
88.40	Loan repayments recd on behalf of investors	-1	-1	-1
88.40	Interest on judgments	-2	-1	-1
88.40	Repayments on loans—principal	-748	-750	-700
88.40	Judgments—principal	-11	-10	-9
88.40	Shared appreciation recapture	-4	-3	-4
88.40	Sale of acquired property/chattels	-48	-60	-60
88.40	Miscellaneous income	-3	-2	-1
88.40	Undistributed receipts	-5	-5	-6
88.90	Total, offsetting collections (cash)	-1,301	-1,291	-1,240

Net budget authority and outlays:

89.00	Budget authority	-1,301	-1,241	-1,190
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Credit accounts—Continued

AGRICULTURAL CREDIT INSURANCE FUND LIQUIDATING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4140-0-3-351	1996 actual	1997 est.	1998 est.
90.00 Outlays	-1,138	-1,248	-1,073

Status of Direct Loans (in millions of dollars)

Identification code 12-4140-0-3-351	1996 actual	1997 est.	1998 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	10,234	8,783	7,498
1232 Disbursements: Purchase of loans assets from the public	5	5	5
1251 Repayments: Repayments and prepayments	-743	-707	-652
1261 Adjustments: Capitalized interest	55	50	50
Write-offs for default:			
1263 Direct loans	-663	-600	-500
1264 Other adjustments, net ¹	-105	-33	12
1290 Outstanding, end of year	8,783	7,498	6,413

¹ 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	1996 actual	1997 est.	1998 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	1,316	1,173	963
2231 Disbursements of new guaranteed loans	2	2	.....
2251 Repayments and prepayments	-295	-200	-100
Adjustments:			
2263 Terminations for default that result in claim payments	-17	-12	-5
2264 Other adjustments, net	167	.....	.....
2290 Outstanding, end of year	1,173	963	858
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	1,059	870	772

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 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	1995 actual	1996 actual	1997 est.	1998 est.
0101 Revenue	479	437	398	362
0102 Expense	1,328	-1,704	1,510	1,008
0109 Net income or loss (-)	1,807	-1,267	1,908	1,370

Balance Sheet (in millions of dollars)

Identification code 12-4140-0-3-351	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	979	446	200	200
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	10,426	8,783	7,498	6,413
1602 Interest receivable	549	414	100	597
1603 Allowance for estimated uncollectible loans and interest (-)	-1,552	-2,474	-1,500	-1,000
1604 Direct loans and interest receivable, net	9,423	6,723	6,098	6,010

1606 Foreclosed property	301	267	231	250
1699 Value of assets related to direct loans	9,724	6,990	6,329	6,260
1901 Other Federal assets: Other assets	1	.....	.....	.....
1999 Total assets	10,704	7,436	6,529	6,460
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	48	.....	.....	.....
2103 Debt	1,470	.....	.....	.....
2104 Resources payable to Treasury	8,798	7,084	6,183	6,114
Non-Federal liabilities:				
2201 Accounts payable	100	89	98	98
2202 Interest payable	1	.....	1	1
2203 Debt	2	2	2	2
2204 Liabilities for loan guarantees	236	207	200	200
2207 Other	49	54	45	45
2999 Total liabilities	10,704	7,436	6,529	6,460
NET POSITION:				
3300 Cumulative results of operations .....	.....	.....	.....	.....
3999 Total net position .....	.....	.....	.....	.....
4999 Total liabilities and net position	10,704	7,436	6,529	6,460

Object Classification (in millions of dollars)

Identification code 12-4140-0-3-351	1996 actual	1997 est.	1998 est.
25.2 Other services	13	9	12
33.0 Investments and loans	32	45	41
43.0 Interest and dividends	69	2	2
99.9 Total obligations	114	56	55

NATURAL RESOURCES CONSERVATION SERVICE

Federal Funds

General and special funds:

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f) 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, **[\$619,742,000]** \$722,268,000, to remain available until expended (7 U.S.C. 2209b), of which not less than **[\$5,835,000]** \$5,888,000 is for snow survey and water forecasting and not less than **[\$8,825,000]** \$8,891,000 is for operation and establishment of the plant materials centers: *Provided*, 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, as amended (43 U.S.C. 1592(c)): *Provided further*, That up to \$5,000,000 may be used for agreements with conservation districts and other State and local entities for training expenses to assist with

the above noted activities: *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-590f) 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).

[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, as amended (16 U.S.C. 1001-1009), \$12,381,000: *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, 1997.)

Program and Financing (in millions of dollars)

Identification code 12-1000-0-1-300	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Direct program:			
00.01 Technical Assistance	543	532	549
00.02 Soil Surveys	76	77	82
00.03 Snow Survey and Water Forecasting	6	6	6
00.04 Plant Materials Centers	9	9	9
00.05 Water Resource Assistance	14	12	76
00.91 Total, direct program	648	636	722
01.01 Reimbursable program	64	149	136
10.00 Total obligations	712	785	858
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	7	3	
22.00 New budget authority (gross)	708	781	858
23.90 Total budgetary resources available for obligation	715	784	858
23.95 New obligations	-712	-785	-858
24.40 Unobligated balance available, end of year:			
Uninvested balance	3		
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	644	632	722
Permanent:			
68.00 Spending authority from offsetting collections: Off-			
setting collections (cash)	64	149	136
70.00 Total new budget authority (gross)	708	781	858
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	85	107	83
73.10 New obligations	712	785	858
73.20 Total outlays (gross)	-690	-810	-854
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	107	83	87
Outlays (gross), detail:			
86.90 Outlays from new current authority	575	557	635
86.93 Outlays from current balances	51	104	83
86.97 Outlays from new permanent authority	64	149	136
87.00 Total outlays (gross)	690	810	854
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-49	-126	-109
88.40 Non-Federal sources	-15	-23	-27
88.90 Total, offsetting collections (cash)	-64	-149	-136
Net budget authority and outlays:			
89.00 Budget authority	644	632	722

90.00 Outlays	626	661	718
Distribution of budget authority by account:			
Conservation operations	630	620	722
Watershed surveys and planning	14	12	
River basin surveys and investigations	1		
Distribution of outlays by account:			
Conservation operations	611	635	703
Watershed surveys and planning	14	13	15
River basin surveys and investigations	1		

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.

The budget assumes a consolidation of certain functions of the Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS) at the national headquarters level in 1998, including personnel, IRM, property and public affairs. The consolidation will foster operational efficiencies, as well as improved inter-agency communication and coordination. In addition, the number of field office service centers would be reduced from 2,500 to a maximum of 2,000 by the end of 1999.

A study will be conducted in 1997 by an independent entity to examine the FSA and NRCS for opportunities for further coordinating and reducing costs in these agencies, including alternative means of program delivery, such as centralized servicing for AMTA payments and CCC non-recourse loans, and further consolidation of the two agencies' operations.

Combinations of needed soil and water conservation systems are planned in relation to each other to achieve well-balanced conservation programs. Technicians explain the various soil conditions, develop alternative uses and treatments, help to evaluate the costs and returns of conservation work, and furnish onsite assistance to farmers, ranchers, and others in applying the needed treatments. About 70 percent of the total annual investment in conservation practices applied through the conservation technical assistance program is made by private landusers. During 1998, the National Resources Conservation Service will continue to provide technical assistance as needed for the Colorado River Basin Salinity Control Program, ongoing activities of the Great Plains Conservation Program, support for enrolled acres in the Conservation Reserve Program, the highly erodible land and wetland conservation provisions of the Food Security Act of 1985 as amended by the Food, Agriculture, Conservation and Trade Act of 1990, and the Conservation provisions of the Federal Agriculture Improvement and Reform Act of 1996.

MAIN WORKLOAD FACTORS

	1996 est.	1997 est.	1998 est.
Decisionmakers receiving technical services	1,000,000	1,050,000	1,160,000
Acres treated with conservation technical assistance	66,000	66,000	70,000

The enhancement of conservation district employee skills and rangeland conservationists will be accelerated in 1998 with additional training through NRCS funds. Improving the skills of those in the conservation districts will better permit the NRCS staff to target their expertise, emphasizing setting standards & providing certification, for other rather than directly implementing most activities themselves (in National Performance Review parlance, "steering", rather than "rowing").

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

General and special funds—Continued

[WATERSHED SURVEYS AND PLANNING]—Continued

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.

Technical assistance will be targeted in 1998 through the use of area-wide watershed plans to achieve the goals of the Government Performance and Results Act. Technical assistance will be increased by \$3 million for watershed and range-land local council assistance. NRCS will fund certain high-priority activities, as a result, including area-wide planning on a watershed basis, a grazing lands initiative, Native American assistance, a wetlands initiative and more rapid development of Geographic Information Systems.

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.

MAIN WORKLOAD FACTORS

	1996 actual	1997 est.	1998 est.
Acres mapped annually (millions)	17.7	17.0	17.0
Soil surveys ready for publication (number)	33	55	55

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.

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.

Technical assistance 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.

MAIN WORKLOAD FACTORS

Activity:	1996 actual	1997 est.	1998 est.
Application for planning assistance: on hand, cumulative, start of year	280	285	.....
Status of planning:			
Approved for planning during year	7	10	11
Locally implemented	(—)	(3)	(6)
Federally implemented	(7)	(7)	(5)
Planning completed during year	14	9	13
Locally implemented	(1)	(3)	(6)
Federally implemented	(13)	(6)	(7)
Planning in process	84	84	84
Locally implemented	(22)	(22)	(22)
Federally implemented	(62)	(62)	(62)
Status of projects in operations:			
Active projects	532	523	509
Approved for operations during year	13	14	7
USDA Cooperative Studies:			
(1) Surveys in progress, start of year	136	154	163
(2) Surveys initiated during year	36	24	20
(3) Surveys worked during year	172	178	183
(4) Surveys completed during year	18	15	10
(5) Surveys in progress, end of year	154	163	173
Flood Plain Management Assist. Program:			
(1) States involved	26	27	29
(2) Completed studies	11	10	10
(3) Ongoing studies	55	50	40
(4) Cumulative total completed	597	607	617

Object Classification (in millions of dollars)

Identification code 12-1000-0-1-300	1996 actual	1997 est.	1998 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	349	336	379
11.3 Other than full-time permanent	11	11	12
11.5 Other personnel compensation	8	8	9
11.9 Total personnel compensation	368	355	400
12.1 Civilian personnel benefits	94	93	105
13.0 Benefits for former personnel	3	3	3
21.0 Travel and transportation of persons	14	13	15
22.0 Transportation of things	6	6	6
23.2 Rental payments to others	10	10	12
23.3 Communications, utilities, and miscellaneous charges	19	18	20
24.0 Printing and reproduction	3	3	3
25.2 Other services	69	76	90
26.0 Supplies and materials	13	13	14
31.0 Equipment	46	45	52
32.0 Land and structures	1	1	1
99.0 Subtotal, direct obligations	646	636	721
99.0 Reimbursable obligations	63	149	137
99.5 Below reporting threshold	3	.....	.....
99.9 Total obligations	712	785	858

Personnel Summary

Identification code 12-1000-0-1-300	1996 actual	1997 est.	1998 est.
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment	8,989	8,762	9,473
1005 Full-time equivalent of overtime and holiday hours	17	17	25
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	798	1,550	1,915

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, and high priority projects authorized by the Flood Control Act (33 U.S.C. 701, 16 U.S.C. 1006a) in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (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**] *\$40,000,000*, 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), as amended and supplemented): *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 \$200,000 shall be available for employment under 5 U.S.C. 3109] *up to \$15,000,000 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 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), as amended, 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, 1997.)*

[For an additional amount to repair damages to the waterways and watersheds resulting from the effects of Hurricanes Fran and Hortense and other natural disasters, \$63,000,000, to remain available until expended: *Provided*, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.] (*Omnibus Consolidated Appropriations Act, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-1072-0-1-301	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Direct program:			
00.01 Watershed Operations (P.L. 534)	15	18	.....
00.03 Emergency Watershed Protection Operations	140	137	.....
00.04 Small Watershed Operations (P.L. 566)	82	93	40
00.91 Total direct program	237	248	40
01.01 Reimbursable program	17	30	24
10.00 Total obligations	254	278	64
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	140	85	1
22.00 New budget authority (gross)	198	194	64
23.90 Total budgetary resources available for obligation	338	279	65
23.95 New obligations	-254	-278	-64
24.40 Unobligated balance available, end of year:			
Uninvested balance	85	1	1
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	181	164	40
Permanent:			
68.00 Spending authority from offsetting collections: Off-			
setting collections (cash)	17	30	24
70.00 Total new budget authority (gross)	198	194	64
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	204	181	146
73.10 New obligations	254	278	64
73.20 Total outlays (gross)	-277	-313	-94
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	181	146	116
Outlays (gross), detail:			
86.90 Outlays from new current authority	144	107	12

86.93	Outlays from current balances	116	176	58
86.97	Outlays from new permanent authority	17	30	24
87.00	Total outlays (gross)	277	313	94
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-3	-6	-10
88.40	Non-Federal sources	-14	-24	-14
88.90	Total, offsetting collections (cash)	-17	-30	-24
Net budget authority and outlays:				
89.00	Budget authority	181	164	40
90.00	Outlays	259	283	70

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 (\$60 million) have been included as part of Conservation Operations beginning in 1998.

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.

Within the 11 authorized projects, 433 subwatershed areas have been identified for planning purposes. Installation progress in these subwatersheds is as follows:

MAIN WORKLOAD FACTORS

	1996 actual	1997 est.	1998 est.
Active subwatersheds	97	97	97
Projects continuing post-instal assistance	242	242	242
Total operational subwatersheds	339	339	339
Unserviced applications	33	33	33
Planning in progress	26	26	26
Terminated in planning	7	7	7
Withdrawn applications	28	28	28
Total subwatersheds	433	433	433

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.

General and special funds—Continued

WATERSHED AND FLOOD PREVENTION OPERATIONS—Continued

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 1998. Significant reforms will be carried out 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

Status of operational projects:	1996 actual	1997 est.	1998 est.
Projects receiving land treatment	174	174	174
Structural projects	297	294	285
Land treatment and structural	61	55	50
Subtotal active projects	532	523	509
Projects continuing post-install assistance	893	915	930
Inactive projects	152	152	152
Completed projects	27	28	30
Total operational projects	1,604	1,618	1,621
New projects approved during year	13	14	7

Loan Services. In 1998, local sponsors will have an alternative funding source to finance their projects. For projects that produce rural water supply or primarily offer rural development benefits, these 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 Utility 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 \$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 1998.

Object Classification (in millions of dollars)

Identification code 12-1072-0-1-301	1996 actual	1997 est.	1998 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	58	55	
11.3 Other than full-time permanent	1	1	
11.5 Other personnel compensation	4	3	
11.9 Total personnel compensation	63	59	
12.1 Civilian personnel benefits	14	13	
21.0 Travel and transportation of persons	3	3	
23.2 Rental payments to others	2	2	
23.3 Communications, utilities, and miscellaneous charges	3	2	
24.0 Printing and reproduction	1	1	

25.2 Other services	13	15	
25.2 Other services	77	88	20
26.0 Supplies and materials	2	2	
31.0 Equipment	6	6	
32.0 Land and structures	24		
41.0 Grants, subsidies, and contributions	28	54	20
99.0 Subtotal, direct obligations	236	245	40
99.0 Reimbursable obligations	16	30	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	1	
99.9 Total obligations	254	278	64

Obligations are distributed as follows:

Natural Resources Conservation Service			
Forest Service			

Personnel Summary

Identification code 12-1072-0-1-301	1996 actual	1997 est.	1998 est.
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment	1,436	1,281	
1005 Full-time equivalent of overtime and holiday hours	44	32	
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	24	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, as amended (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), **[\$29,377,000] \$47,700,000**, 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, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-1010-0-1-300	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Direct program:			
00.01 Watershed Coordinators			13
00.02 Technical Assistance/Rangeland Coordinators	30	30	35
00.91 Total direct program	30	30	48
01.01 Reimbursable program	1	1	1
10.00 Total obligations	31	31	49
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	2	1	
22.00 New budget authority (gross)	30	30	49
23.90 Total budgetary resources available for obligation	32	31	49
23.95 New obligations	-31	-31	-49
24.40 Unobligated balance available, end of year:			
Uninvested balance	1		
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	29	29	48
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	1	1
70.00 Total new budget authority (gross)	30	30	49

Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation	6	6
73.10	New obligations	31	31
73.20	Total outlays (gross)	-31	-30
74.40	Unpaid obligations, end of year: Obligated balance:		
	Appropriation	6	7
Outlays (gross), detail:			
86.90	Outlays from new current authority	25	26
86.93	Outlays from current balances	5	3
86.97	Outlays from new permanent authority	1	1
87.00	Total outlays (gross)	31	30
Offsets:			
Against gross budget authority and outlays:			
88.40	Offsetting collections (cash) from: Non-Federal sources	-1	-1
Net budget authority and outlays:			
89.00	Budget authority	29	29
90.00	Outlays	30	29

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 1998. 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.

In 1998, funds are provided in the RC&D program for funding local, non-Federal watershed and rangeland coordinators to assist in watershed planning and rangeland conservation throughout the country, including for grazing lands assistance, the Bay-Delta region (CA), and the salmon recovery sites (CA, OR, WA, ID). The goal in funding these coordinators is to better enable the spectrum of community interests to solve their natural resource problems and concerns locally and together. The additional \$18 million added to RC&D could fund 25 States with coordinators for over 400 high-priority watersheds or rangelands. These estimates assume a cost-share contribution from the watershed or rangeland councils or steering committee served, and an eventual "graduation" from Federal support (in 3 years) as the local community members gain funding through other proposals and sources.

The following tabulation shows the status of RC and D areas authorized to receive technical and financial assistance.

MAIN WORKLOAD FACTORS

	1996 actual	1997 est.	1998 est.
Areas authorized at beginning of year	277	289	289
Areas authorized at end of year	289	289	289
Project plans written	2,050	2,050	2,050
Projects being implemented	2,146	2,146	2,146
Projects completed	2,050	2,050	2,050

Object Classification (in millions of dollars)

Identification code 12-1010-0-1-300	1996 actual	1997 est.	1998 est.
Direct obligations:			
Personnel compensation:			
11.1	Full-time permanent	15	15

11.3	Other than full-time permanent	1	1	1
11.9	Total personnel compensation	16	16	16
12.1	Civilian personnel benefits	3	4	4
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	1	1	1
25.2	Other services	5	5	5
26.0	Supplies and materials	1	1	1
31.0	Equipment	1	1	1
41.0	Grants, subsidies, and contributions			18
99.0	Subtotal, direct obligations	29	30	48
99.0	Reimbursable obligations	1	1	1
99.5	Below reporting threshold	1		
99.9	Total obligations	31	31	49

Personnel Summary

Identification code 12-1010-0-1-300	1996 actual	1997 est.	1998 est.	
Direct:				
1001	Total compensable workyears: Full-time equivalent employment	386	386	386
Reimbursable:				
2001	Total compensable workyears: Full-time equivalent employment	5	5	5

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), **[\$1,000,000]** \$5,000,000, to remain available until expended. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-0601-0-1-351	1996 actual	1997 est.	1998 est.	
Obligations by program activity:				
10.00	Total obligations (object class 41.0)	1	1	5
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	1	1	5
23.95	New obligations	-1	-1	-5
New budget authority (gross), detail:				
40.00	Appropriation	1	1	5
Change in unpaid obligations:				
72.90	Unpaid obligations, start of year: Obligated balance:			
	Fund balance	5	3	
73.10	New obligations	1	1	5
73.20	Total outlays (gross)	-3	-4	-5
74.90	Unpaid obligations, end of year: Obligated balance:			
	Fund balance	3		
Outlays (gross), detail:				
86.90	Outlays from new current authority	1	1	5
86.93	Outlays from current balances	2	3	
87.00	Total outlays (gross)	3	4	5
Net budget authority and outlays:				
89.00	Budget authority	1	1	5
90.00	Outlays	3	4	5

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. The Secretary of Agriculture is empowered to make grants to eligible community-based organizations with demonstrated experience in providing education or other agriculture-related services to socially disadvantaged farmers and ranchers in their area of influence. Also eligible are the 1890 Land-Grant Colleges, Tuskegee University, Indian tribal community colleges and post-secondary education facilities serving Hispanics.

General and special funds—Continued

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS—Continued

In 1997, additional funds will be provided through the Fund for Rural America to enhance program effectiveness.

In 1998, the increase will support funding for 28 entities consisting of 1890/1862 Land Grant Institutions, Community Based Organizations, Hispanic Servicing Institutions, and Native American Community Colleges, that through partnership agreements with USDA provide outreach, training, and 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 adequate to service debts, maintain farm operations and provide a reasonable standard of living. Services are provided by non-federal employees who are employed by the entities.

GRANT OBLIGATIONS

	1996 actual	1997 est.	1998 est.
Number of grants	10	12	28
Amount of grants (in millions of dollars)	1	1	5

GREAT PLAINS CONSERVATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-2268-0-1-302	1996 actual	1997 est.	1998 est.
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	34	22	13
73.20 Total outlays (gross)	-12	-9	-6
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	22	13	7
Outlays (gross), detail:			
86.93 Outlays from current balances	12	9	6
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	12	9	6

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.

MAIN WORKLOAD FACTORS

Program participants:	1996 actual	1997 est.	1998 est.
Number of new contracts during year	5		
Number of contracts serviced during year	6,846	5,846	4,646
Number of acres under contracts	17,777,700	14,198,500	12,164,000

As of September 30, 1996, there were 5,846 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	1996 actual	1997 est.	1998 est.
1001 Total compensable workyears: Full-time equivalent employment	19		

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, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-3336-0-1-302	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations	7	7	6
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	1		
22.00 New budget authority (gross)	6	6	6
23.90 Total budgetary resources available for obligation	7	6	6
23.95 New obligations	-7	-7	-6
New budget authority (gross), detail:			
40.00 Appropriation	6	6	6
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	15	11	8
73.10 New obligations	7	7	6
73.20 Total outlays (gross)	-11	-10	-8
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	11	8	6
Outlays (gross), detail:			
86.90 Outlays from new current authority	3	3	3
86.93 Outlays from current balances	8	7	5
87.00 Total outlays (gross)	11	10	8
Net budget authority and outlays:			
89.00 Budget authority	6	6	6
90.00 Outlays	11	10	8

The Forestry Incentives program 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. In selecting sites for cost-share assistance, the program will maximize its effectiveness by selecting those plots that would otherwise not have made the forest stand improvement or plantings without Federal assistance. Acreage selected will be targeted to provide the maximum environmental benefits, particularly to benefit water quality and wildlife habitat.

The Forestry Incentives Program shares up to 65 percent of the cost of tree planting and timberstand improvement. The percentage cost-shared depends on the rate set in a particular State and county by the Natural Resources Conservation Service (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 1996 program provided funding for 149,503 acres of tree planting, and 33,725 acres in timber stand improve-

Object Classification (in millions of dollars)

Identification code 12-3336-0-1-302	1996 actual	1997 est.	1998 est.
DEPARTMENT OF AGRICULTURE			
25.2 Other services	1	1	1
41.0 Grants, subsidies, and contributions	6	6	5
99.9 Total obligations	7	7	6

WATER BANK PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3320-0-1-302	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	1		
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	1		
23.95 New obligations	-1		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	47	40	31
73.10 New obligations	1		
73.20 Total outlays (gross)	-7	-10	-9
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	40	31	22
Outlays (gross), detail:			
86.93 Outlays from current balances	7	10	9
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	7	10	9

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 1997. For 1998, 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.

During 1996, approximately 36 agreements are expected on approximately 5,248 acres.

COLORADO RIVER BASIN SALINITY CONTROL PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3318-0-1-304	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	4		

Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	1		
22.00 New budget authority (gross)	3		
23.90 Total budgetary resources available for obligation	4		
23.95 New obligations	-4		

New budget authority (gross), detail:			
40.00 Appropriation	3		

Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	9	8	2
73.10 New obligations	4		
73.20 Total outlays (gross)	-4	-6	-2
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	8	2	

Outlays (gross), detail:			
86.90 Outlays from new current authority	1		
86.93 Outlays from current balances	3	6	2
87.00 Total outlays (gross)	4	6	2

Net budget authority and outlays:			
89.00 Budget authority	3		
90.00 Outlays	4	6	2

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 1996 will provide cost-share assistance to landowners and others in the Colorado River Basin States to include: Arizona, California, Colorado, Nevada, New Mexico, 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.

Practices are recommended by the Secretary of Agriculture. The 1996 program focused on five project areas in Colorado, Utah, and Wyoming.

The funded level of approximately \$2.7 million will fund the current five existing projects. 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.

Object Classification (in millions of dollars)

Identification code 12-3318-0-1-304	1996 actual	1997 est.	1998 est.
11.1 Personnel compensation: Full-time permanent			
12.1 Civilian personnel benefits			

General and special funds—Continued

COLORADO RIVER BASIN SALINITY CONTROL PROGRAM—Continued

Object Classification (in millions of dollars)—Continued

Identification code 12-3318-0-1-304	1996 actual	1997 est.	1998 est.
25.2 Other services			
41.0 Grants, subsidies, and contributions	4		
99.9 Total obligations	4		

WETLANDS RESERVE PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-1080-0-1-302	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Restoration Costs	11		
00.02 Easement Payments	92		
00.03 Technical Assistance	12	12	18
00.04 Easement Overhead Costs	8		
00.05 Cooperative Agreements	5		
10.00 Total obligations	128	12	18
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	83	32	19
22.00 New budget authority (gross)	77		
23.90 Total budgetary resources available for obligation	160	32	19
23.95 New obligations	-128	-12	-18
24.40 Unobligated balance available, end of year:			
Uninvested balance	32	19	1
New budget authority (gross), detail:			
40.00 Appropriation	77		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	60	80	
73.10 New obligations	128	12	18
73.20 Total outlays (gross)	-109	-92	-17
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	80		1
Outlays (gross), detail:			
86.90 Outlays from new current authority	26		
86.93 Outlays from current balances	83	92	17
87.00 Total outlays (gross)	109	92	17
Net budget authority and outlays:			
89.00 Budget authority	77		
90.00 Outlays	109	92	17

The Wetlands Reserve Program 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 old authority for the WRP, while maintaining program account balances until expended. Funding for the program will 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 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 115,944 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.

The 1996 budget provided funding for enrolling an estimated 80,000 acres. Beginning in 1997, program funding will be provided under the Commodity Credit Corporation (CCC). Funds under this account will remain until expended.

The proposed 1998 Funding for WRP activities through CCC is for 212 thousand acres (or \$162 million in CCC Funds).

Object Classification (in millions of dollars)

Identification code 12-1080-0-1-302	1996 actual	1997 est.	1998 est.
11.1 Personnel compensation: Full-time permanent	8	7	8
12.1 Civilian personnel benefits	2	1	2
23.2 Rental payments to others	1		1
25.4 Operation and maintenance of facilities	6	4	7
32.0 Land and structures	111		
99.9 Total obligations	128	12	18

Personnel Summary

Identification code 12-1080-0-1-302	1996 actual	1997 est.	1998 est.
1001 Total compensable workyears: Full-time equivalent employment	178	170	268

RURAL CLEAN WATER PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-3337-0-1-304	1996 actual	1997 est.	1998 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	3	3	3
23.95 New obligations			
24.40 Unobligated balance available, end of year:			
Uninvested balance	3	3	3
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	3	3	2
73.20 Total outlays (gross)		-1	-1
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	3	2	1

Outlays (gross), detail:			
86.93	Outlays from current balances	1	1
Net budget authority and outlays:			
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 calendar year 1999. Similar activities will be carried out through mandatory Environmental Quality Incentives Program.

AGRICULTURAL RESOURCE CONSERVATION DEMONSTRATION
GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4177-0-3-351	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00	Total obligations	2	2
Budgetary resources available for obligation:			
21.90	Unobligated balance available, start of year: Fund balance	9	7
23.95	New obligations	-2	-2
24.90	Unobligated balance available, end of year: Fund balance	7	5
Change in unpaid obligations:			
73.10	New obligations	2	2
73.20	Total financing disbursements (gross)	-2	-2
87.00	Total financing disbursements (gross)	2	2
Net financing authority and financing disbursements:			
89.00	Financing authority		
90.00	Financing disbursements	2	2

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4177-0-3-351	1996 actual	1997 est.	1998 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
2290	Outstanding, end of year	17	17
Memorandum:			
2299	Guaranteed amount of guaranteed loans outstanding, end of year	17	17

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	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
1101	Federal assets: Fund balances with Treasury	9	8	7
1999	Total assets	9	8	7

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Unavailable Collections (in millions of dollars)

Identification code 12-8210-0-7-300	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99	Balance, start of year		
Receipts:			
02.01	Miscellaneous contributed trust funds	22	
Appropriation:			
05.01	Miscellaneous contributed trust funds	-21	
07.99	Total balance, end of year		

Program and Financing (in millions of dollars)

Identification code 12-8210-0-7-300	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00	Total obligations (object class 25.2)		21
Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year: Uninvested balance		21
22.00	New budget authority (gross)	21	
23.90	Total budgetary resources available for obligation	21	21
23.95	New obligations		-21
24.40	Unobligated balance available, end of year: Uninvested balance	21	
New budget authority (gross), detail:			
60.27	Appropriation (trust fund, indefinite)	21	

Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance: Appropriation		13
73.10	New obligations		21
73.20	Total outlays (gross)		-8
74.40	Unpaid obligations, end of year: Obligated balance: Appropriation		13

Outlays (gross), detail:			
86.98	Outlays from permanent balances		8
			10

Net budget authority and outlays:			
89.00	Budget authority	21	
90.00	Outlays		8
			10

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.

Personnel Summary

Identification code 12-8210-0-7-300	1996 actual	1997 est.	1998 est.
1001	Total compensable workyears: Full-time equivalent employment	4	3
			1

RURAL DEVELOPMENT

Federal Funds

General and special funds:

RURAL COMMUNITY ADVANCEMENT PROGRAM

For the cost of direct loans, loan guarantees, and grants, as authorized by 7 U.S.C. 1926, 1926a, 1926c, and 1932, \$688,570,000, to remain available until expended, of which \$30,037,000 shall be for rural community programs described in section 381E(d)(1) of the Consolidated Farm and Rural Development Act, as amended: of which \$608,080,000 shall be for the rural utilities programs described in section 381E(d)(2) of such Act: of which \$50,453,000 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 rural utilities programs, not to exceed \$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 technical assistance grants for rural waste systems pursuant to section 306(a)(14) of such Act; and not to exceed \$5,150,000 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 \$32,163,600 shall be available through June 30, 1998 for empowerment zones and enterprise communities, as authorized by Public Law 103-66, of which \$1,614,600 shall be for rural community programs described in section 381E(d)(1) of such Act; of which \$21,952,000 shall be for the rural utilities programs described in section 381E(d)(2) of such Act; of which \$8,597,000 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.

Program and Financing (in millions of dollars)

Identification code 12-0400-0-1-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Water and waste disposal direct loan subsidy			72
00.02 Water and waste disposal grants			484
00.03 Solid waste management grants			3
00.04 Community facility direct loan subsidy			18
00.05 Community facility guaranteed loan subsidy			1
00.06 Community facility grants			9
00.07 Business and industry guaranteed loan subsidy			6
00.08 Rural business enterprise grants			40
00.10 Mandatory grants to States			29
00.11 Matching grants to States			27
10.00 Total obligations (object class 41.0)			689
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance			
22.00 New budget authority (gross)			689
23.90 Total budgetary resources available for obligation			689
23.95 New obligations			-689
New budget authority (gross), detail:			
40.00 Appropriation			689
Change in unpaid obligations:			
73.10 New obligations			689
73.20 Total outlays (gross)			-680
73.32 Obligated balance transferred from other accounts			1,582
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation			1,591

Outlays (gross), detail:			
86.90	Outlays from new current authority		60
86.93	Outlays from current balances		620
87.00	Total outlays (gross)		680

Net budget authority and outlays:			
89.00	Budget authority		689
90.00	Outlays		680

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

Identification code 12-0400-0-1-452	1996 actual	1997 est.	1998 est.
Direct loan levels supportable by subsidy budget authority:			
1150	Direct water and waste disposal loan levels		734
1150	Direct community facility loan levels		210
1150	Direct business and industry loan levels		50
1159	Total direct loan levels		994
Direct loan subsidy (in percent):			
1320	Direct water and waste disposal loans subsidy rate		9.76
1320	Direct community facility loans subsidy rate		8.38
1320	Direct business and industry loans subsidy rate		-7.16
1329	Weighted average subsidy rate		9.05
Direct loan subsidy budget authority:			
1330	Direct water and waste disposal loans subsidy budget authority		72
1330	Direct community facility loans subsidy budget authority		18
1339	Total subsidy budget authority		90
Direct loan subsidy outlays:			
1340	Direct water and waste disposal loans subsidy outlays		112
1340	Direct community facility loans subsidy outlays		23
1349	Total subsidy outlays		135
Guaranteed loan levels supportable by subsidy budget authority:			
2150	Water and waste disposal loan guarantee levels		75
2150	Community facility loan guarantee levels		209
2150	Business and industry loan guarantee levels		610
2159	Total loan guarantee levels		894
Guaranteed loan subsidy (in percent):			
2320	Guaranteed water and waste disposal loan subsidy rate		-1.90
2320	Guaranteed community facility loan subsidy rate		0.40
2320	Guaranteed business and industry loan subsidy rate		0.97
2329	Weighted average subsidy rate		0.08
Guaranteed loan subsidy budget authority:			
2330	Guaranteed community facility loans subsidy budget authority		1
2330	Guaranteed business and industry loans subsidy budget authority		6
2339	Total subsidy budget authority		7
Guaranteed loan subsidy outlays:			
2340	Guaranteed community facility loan subsidy outlays		1
2340	Guaranteed business and industry loan subsidy outlays		6
2349	Total subsidy outlays		7

This account would consolidate 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 proposal is in accordance with the provisions set forth in the Federal Agriculture Improvement and Reform Act of 1996, Public Law 104-127 (the 1996 Act). Consolidating funding for these 12 loan and grant programs under RCAP will provide greater flexibility to tailor financial assistance to applicant needs.

RCAP will be composed of the following five subaccounts: the Rural Community Facilities Account, the Rural Utilities Account, the Rural Business and Cooperative Development Account, the National Reserve Account, and the Federally Recognized Indian Tribe Account. The funding, except the 12.5 percent of the funding in the National Office Reserve Account and the 3 percent of the funding in the Federally Recognized Indian Tribe Account, will be allocated to Rural Development State Directors for their priority-setting on a state-by-state basis. State Directors are authorized to transfer not more than 25 percent of the amount in the account that is allocated for the State for the fiscal year to any other account in which amounts are allocated for the State for the fiscal year, with up to 10 percent of funds allowed to be re-allocated nation-wide.

In addition, five percent of RCAP funds will be made available as block grants to States that request such grants, consistent with the 1996 Act. Further, five percent of the remaining amount available for allocation may be made available for matching grants.

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, as amended, and the Consolidated Farm and Rural Development Act, as amended, and cooperative agreements, **[\$33,195,000] \$33,000,000. Provided,** That this appropriation shall be available for employment pursuant to the second sentence of 706(a) of the Organic Act of 1944, 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, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-1981-0-1-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct program	18	33	33
01.01 Reimbursable program	47	34	37
10.00 Total obligations	65	67	70
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	65	67	70
23.95 New obligations	-65	-67	-70
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	18	33	33
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	47	34	37
70.00 Total new budget authority (gross)	65	67	70
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation		14	15
73.10 New obligations	65	67	70
73.20 Total outlays (gross)	-51	-66	-66
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	14	15	19
Outlays (gross), detail:			
86.90 Outlays from new current authority	4	26	26
86.93 Outlays from current balances		13	6
86.97 Outlays from new permanent authority	47	27	29
86.98 Outlays from permanent balances			5
87.00 Total outlays (gross)	51	66	66

Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-34		-37
88.45	Offsetting governmental collections	-47		
88.90	Total, offsetting collections (cash)	-47	-34	-37
Net budget authority and outlays:				
89.00	Budget authority	18	33	33
90.00	Outlays	4	33	30

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.

Object Classification (in millions of dollars)

Identification code 12-1981-0-1-452	1996 actual	1997 est.	1998 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	14	21	20
11.5	Other personnel compensation	2	1	1
11.9	Total personnel compensation	16	22	21
12.1	Civilian personnel benefits		5	5
21.0	Travel and transportation of persons		1	1
23.3	Communications, utilities, and miscellaneous charges	1	1	1
24.0	Printing and reproduction		1	1
25.2	Other services	1	3	4
99.0	Subtotal, direct obligations	18	33	33
99.0	Reimbursable obligations	47	34	36
99.5	Below reporting threshold			1
99.9	Total obligations	65	67	70

Personnel Summary

Identification code 12-1981-0-1-452	1996 actual	1997 est.	1998 est.	
Direct:				
Total compensable workyears:				
1001	Full-time equivalent employment	236	385	368
1005	Full-time equivalent of overtime and holiday hours	1	1	1
Reimbursable:				
Total compensable workyears:				
2001	Full-time equivalent employment	529	400	415
2005	Full-time equivalent of overtime and holiday hours	1	1	1

SALARIES AND EXPENSES

Program and Financing (in millions of dollars)

Identification code 12-3100-0-1-271	1996 actual	1997 est.	1998 est.
Change in unpaid obligations:			
72.90	Unpaid obligations, start of year: Obligated balance:		
Fund balance	6		
73.20	Total outlays (gross)	-6	

General and special funds—Continued

SALARIES AND EXPENSES—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-3100-0-1-271	1996 actual	1997 est.	1998 est.
Outlays (gross), detail:			
86.98 Outlays from permanent balances	6		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	4		

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 UTILITIES ASSISTANCE PROGRAM]

[(INCLUDING TRANSFERS OF FUNDS)]

[For the cost of direct loans, loan guarantees, and grants, as authorized by 7 U.S.C. 1926, 1928, and 1932, except for 381E, 381H, 381N of the Consolidated Farm and Rural Development Act, \$566,935,000, to remain available until expended, for direct loans and loan guarantees and grants for rural water and waste disposal, and solid waste management grants of the Rural Utilities Service: *Provided*, That the cost of direct loans and loan guarantees shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That the amounts appropriated shall be transferred to loan program and grant accounts as determined by the Secretary: *Provided further*, That, through June 30, 1997, of the total amount appropriated, \$18,700,000 shall be available for the costs of direct loans, loan guarantees, and grants to be made available for empowerment zones and enterprise communities, as authorized by Public Law 103-66: *Provided further*, That, of the total amount appropriated, not to exceed \$18,700,000 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 the Consolidated Farm and Rural Development Act, as amended: *Provided further*, That, of the total amount appropriated, not to exceed \$5,200,000 shall be available for contracting with qualified national organizations for a circuit rider program to provide technical assistance for rural water systems: *Provided further*, That an amount not less than that available in fiscal year 1996 be set aside and made available for ongoing technical assistance under sections 306(a)(14) (7 U.S.C. 1926) and 310(B)(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932): *Provided further*, That of the total amount appropriated, not to exceed \$8,750,000 shall be for water and waste disposal systems pursuant to section 757 of Public Law 104-127: *Provided further*, That notwithstanding section 306(a)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(7)), the town of Berlin, New Hampshire, shall be eligible during fiscal year 1997 for a grant under the rural utilities assistance program.] (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-1982-0-1-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Administrative Expenses	13		
10.00 Total obligations (object class 25.2)	13		
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	13		
23.95 New obligations	-13		
New budget authority (gross), detail:			
Appropriation:			
40.00 Appropriation	501	567	
40.00 Appropriation	11		
41.00 Transferred to other accounts	-535	-568	
42.00 Transferred from other accounts	36		

43.00 Appropriation (total)	13		
70.00 Total new budget authority (gross)	13	-1	
Change in unpaid obligations:			
73.10 New obligations	13		
73.20 Total outlays (gross)	-13		
Outlays (gross), detail:			
86.90 Outlays from new current authority	13		
Net budget authority and outlays:			
89.00 Budget authority	13		
90.00 Outlays	13		

In 1996 and 1997, funding for direct and guaranteed water and waste disposal loans, rural water and waste disposal grants, and solid waste management grants was provided under the Rural Utilities Assistance Program and transferred to the Rural Water and Waste Disposal Loans Program Account, Rural Water and Waste Disposal Grants Account, and Solid Waste Management Grants Account for administration. In 1998, funding is requested to be appropriated for these programs to the Rural Community Advancement Program and all balances be transferred from the Rural Utilities Assistance Program Account to the Rural Community Advancement Program Account.

In 1996, funding for salaries and expenses associated with this program was appropriated to this account and transferred to the Rural Utilities Service, Salaries and expenses account. In 1997, funding for salaries and expenses associated with this program was appropriated to the Rural Utilities Service Salaries and expenses account and also is requested to be appropriated to that account in 1998.

DISTANCE LEARNING AND MEDICAL LINK PROGRAM

For the cost of direct loans and grants, as authorized by 7 U.S.C. 950aaa et seq., as amended, [\$9,000,000] \$21,000,000, 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, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-1232-0-1-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Distance Learning and Medical Link Grants	8	7	21
00.02 Distance Learning and Medical Link Treasury Rate Loans		2	
10.00 Total obligations (object class 41.0)	8	9	21
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	8	9	21
23.95 New obligations	-8	-9	-21
New budget authority (gross), detail:			
40.00 Appropriation	8	9	21
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation			
73.10 New obligations	8	9	21
73.20 Total outlays (gross)	-10	-24	-19
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation			
	18	3	6
Outlays (gross), detail:			
86.90 Outlays from new current authority		6	16
86.93 Outlays from current balances	10	18	3
87.00 Total outlays (gross)	10	24	19
Net budget authority and outlays:			
89.00 Budget authority	8	9	21

90.00	Outlays	10	24	19
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Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-1232-0-1-452	1996 actual	1997 est.	1998 est.
Direct loan levels supportable by subsidy budget authority:			
1150	Direct loan levels	150	150
1159	Total direct loan levels	150	150
Direct loan subsidy (in percent):			
1320	Subsidy rate	1.02	0.02
1329	Weighted average subsidy rate	1.02	0.02
Direct loan subsidy budget authority:			
1330	Subsidy budget authority	2	
1339	Total subsidy budget authority	2	
Direct loan subsidy outlays:			
1340	Subsidy outlays	1	1
1349	Total subsidy outlays	1	1

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.

SOLID WASTE MANAGEMENT GRANTS

Program and Financing (in millions of dollars)

Identification code 12-2045-0-1-304	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00	Total obligations (object class 41.0)	2	3
Budgetary resources available for obligation:			
22.00	New budget authority (gross)	2	3
23.95	New obligations	-2	-3
New budget authority (gross), detail:			
42.00	Transferred from other accounts	2	3
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation	4	4
73.10	New obligations	2	3
73.20	Total outlays (gross)	-3	-3
73.31	Obligated balance transferred to other accounts		-4
74.40	Unpaid obligations, end of year: Obligated balance:		
	Appropriation	4	4
Outlays (gross), detail:			
86.93	Outlays from current balances	3	3
Net budget authority and outlays:			
89.00	Budget authority	2	3
90.00	Outlays	3	3

This grant program is authorized under Section 310B(b) of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1932). Grants are made to non-profit organizations to provide technical assistance to local and regional governments for the purpose of reducing or eliminating pollution of water resources, and for improving the planning and management of solid waste disposal facilities.

In 1998, funding is requested to be appropriated for the solid waste management grants to the Rural Community Advancement Program and all balances be transferred from this account to the Rural Community Advancement Program Account.

EMERGENCY COMMUNITY WATER ASSISTANCE GRANTS

Program and Financing (in millions of dollars)

Identification code 12-2046-0-1-451	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00	Total obligations (object class 41.0)	4	1
Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year:		
	Uninvested balance		1
22.00	New budget authority (gross)	5	
23.90	Total budgetary resources available for obligation	5	1
23.95	New obligations	-4	-1
24.40	Unobligated balance available, end of year:		
	Uninvested balance	1	
New budget authority (gross), detail:			
42.00	Transferred from other accounts	5	
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation	18	14
73.10	New obligations	4	1
73.20	Total outlays (gross)	-8	-7
73.31	Obligated balance transferred to other accounts		-8
73.40	Adjustments in expired accounts	-1	
74.40	Unpaid obligations, end of year: Obligated balance:		
	Appropriation	14	8
Outlays (gross), detail:			
86.93	Outlays from current balances	8	7
Net budget authority and outlays:			
89.00	Budget authority	5	
90.00	Outlays	8	7

These grant programs are authorized under Section 306A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a) and 7 U.S.C. 1926(b)) as amended. Grants are made to public bodies and private nonprofit organizations for construction or extension of waterlines, repair or maintenance of existing systems, replacement of equipment, and payment of costs to correct emergency situations. No program is proposed for 1998. However, this grant program is included in the Rural Community Advancement Program.

RURAL WATER AND WASTE DISPOSAL GRANTS

Program and Financing (in millions of dollars)

Identification code 12-2066-0-1-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00	Total obligations (object class 41.0)	394	503
Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year:		
	Uninvested balance	2	5
22.00	New budget authority (gross)	391	498
22.10	Resources available from recoveries of prior year obligations	7	
23.90	Total budgetary resources available for obligation	399	503
23.95	New obligations	-394	-503
24.40	Unobligated balance available, end of year:		
	Uninvested balance	5	
New budget authority (gross), detail:			
42.00	Transferred from other accounts	391	498
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation	1,211	1,175
73.10	New obligations	394	503
73.20	Total outlays (gross)	-423	-472
73.31	Obligated balance transferred to other accounts		-1,206
73.45	Adjustments in unexpired accounts	-7	

General and special funds—Continued

RURAL WATER AND WASTE DISPOSAL GRANTS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-2066-0-1-452	1996 actual	1997 est.	1998 est.
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	1,175	1,206	
Outlays (gross), detail:			
86.90 Outlays from new current authority	19	20	
86.93 Outlays from current balances	404	452	
87.00 Total outlays (gross)	423	472	
Net budget authority and outlays:			
89.00 Budget authority	391	498	
90.00 Outlays	423	472	

This grant program is 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, public and quasi-public agencies, and certain Indian tribes to finance development, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas. The amount of any development grant may not exceed 75 percent of the eligible development cost of the project.

The major objectives of the rural water and waste disposal grant program are: (1) to provide assistance to attain basic human amenities; (2) to alleviate health hazards; (3) to promote stability of rural areas by meeting the need for new and improved rural water and waste disposal systems; and (4) to meet national safe drinking water and clean water standards.

In 1998, funding is requested to be appropriated for the rural water and waste disposal grants to the Rural Community Advancement Program and all balances be transferred from this account to the Rural Community Advancement Program Account.

Credit accounts:

RURAL WATER AND WASTE DISPOSAL LOANS PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-1980-0-1-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct loan subsidy	136	68	
00.02 Reestimates of direct loan subsidy	84		
00.03 Interest on reestimates of direct loan subsidy	12		
10.00 Total obligations (object class 41.0)	232	68	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance		6	
22.00 New budget authority (gross)	233	67	
22.10 Resources available from recoveries of prior year obligations	4		
22.22 Unobligated balance transferred from other accounts	2		
22.30 Unobligated balance expiring		-5	
23.90 Total budgetary resources available for obligation	239	68	
23.95 New obligations	-232	-68	
24.40 Unobligated balance available, end of year:			
Uninvested balance	6		
New budget authority (gross), detail:			
Current:			
42.00 Transferred from other accounts	137	67	
Permanent:			
60.05 Appropriation (indefinite)	96		

70.00 Total new budget authority (gross)	233	67	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	292	243	
73.10 New obligations	232	68	
73.20 Total outlays (gross)	-197	-117	
73.31 Obligated balance transferred to other accounts		-243	
73.32 Obligated balance transferred from other accounts	262		
73.40 Adjustments in expired accounts	-1		
73.45 Adjustments in unexpired accounts	-4		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	292	243	
Outlays (gross), detail:			
86.90 Outlays from new current authority	9	2	
86.93 Outlays from current balances	92	115	
86.97 Outlays from new permanent authority	96		
87.00 Total outlays (gross)	197	117	
Net budget authority and outlays:			
89.00 Budget authority	233	67	
90.00 Outlays	197	117	

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

Identification code 12-1980-0-1-452	1996 actual	1997 est.	1998 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loan levels	608	740	
1159 Total direct loan levels	608	740	
Direct loan subsidy (in percent):			
1320 Subsidy rate	22.50	9.02	
1329 Weighted average subsidy rate	22.50	9.02	
Direct loan subsidy budget authority:			
1330 Subsidy budget authority	137	67	
1339 Total subsidy budget authority	137	67	
Direct loan subsidy outlays:			
1340 Subsidy outlays	102	117	
1349 Total subsidy outlays	102	117	
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels	75	75	
2159 Total loan guarantee levels	75	75	
Guaranteed loan subsidy (in percent):			
2320 Guaranteed Subsidy rate	-1.18	-1.09	

This account provides funding to local governments and nonprofit organizations for the development of storage, treatment, purification, or distribution of water or collection, treatment, or disposal of waste in rural 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 and loan guarantees committed 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.

In 1998, funding is requested to be appropriated for the direct and guaranteed water and waste loan programs to the Rural Community Advancement Program and all balances from the Rural Water and Waste Disposal Loans Program Account be transferred to the Rural Community Advancement Program account. Funding for salaries and expenses associated with this program is requested to be appropriated to the Rural Utilities Service Salaries and expenses account.

RURAL WATER AND WASTE DISPOSAL DIRECT LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4226-0-1-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct Loans	605	755	734
00.02 Interest on Treasury Borrowing	105	149	204
10.00 Total obligations	710	904	938
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	747	904	938
22.10 Resources available from recoveries of prior year obligations	28		
22.60 Redemption of debt	-65		
23.90 Total budgetary resources available for obligation	710	904	938
23.95 New obligations	-710	-904	-938
New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)	417	758	764
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	300	195	215
68.10 Receivables from program account	30	-49	-41
68.90 Spending authority from offsetting collections (total)	330	146	174
70.00 Total new financing authority (gross)	747	904	938
Change in unpaid obligations:			
Unpaid obligations, start of year:			
Obligated balance:			
72.47 Authority to borrow		1,215	1,132
72.90 Obligated balance		152	281
72.95 Receivables from program account	262	292	243
72.99 Total unpaid obligations, start of year	262	1,659	1,656
73.10 New obligations	710	904	938
73.20 Total financing disbursements (gross)	-756	-907	-910
73.32 Obligated balance transferred from other accounts	1,470		
73.45 Adjustments in unexpired accounts	-28		
Unpaid obligations, end of year:			
Obligated balance:			
74.47 Authority to borrow	1,215	1,132	1,187
74.90 Obligated balance	152	281	295
74.95 Receivables from program account	292	243	202
74.99 Total unpaid obligations, end of year	1,659	1,656	1,684
87.00 Total financing disbursements (gross)	756	907	910
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-197	-117	-113
88.25 Interest on uninvested funds	-30	-9	-14
Non-Federal sources:			
88.40 Repayment of principal	-16	-12	-16
88.40 Interest received on loans	-54	-57	-72
88.40 Miscellaneous offsetting collections	-3		
88.90 Total, offsetting collections (cash)	-300	-195	-215
88.95 Change in receivables from program accounts	-30	49	41
Net financing authority and financing disbursements:			
89.00 Financing authority	417	758	764
90.00 Financing disbursements	456	712	695

Status of Direct Loans (in millions of dollars)

Identification code 12-4226-0-1-452	1996 actual	1997 est.	1998 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	608	745	734
1113 Unobligated limitation carried forward	-3		
1131 Direct loan obligations exempt from limitation		10	
1150 Total direct loan obligations	605	755	734
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year		1,615	2,362

1231 Disbursements: Direct loan disbursements	650	759	706
1251 Repayments: Repayments and prepayments	-16	-12	-16
1264 Write-offs for default: Other adjustments, net	981		
1290 Outstanding, end of year	1,615	2,362	3,052

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	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	122	152	280	294
Investments in US securities:				
1106 Receivables, net	262	292	243	202
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	979	1,615	2,361	3,050
1402 Interest receivable	14	23	57	72
1405 Allowance for subsidy cost (-)	-77	-324	-331	-360
1499 Net present value of assets related to direct loans	916	1,314	2,087	2,762
1999 Total assets	1,300	1,758	2,610	3,258
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	1,035	1,460	2,361	3,050
2103 Debt	3	6	6	6
2999 Total liabilities	1,038	1,466	2,367	3,056
NET POSITION:				
3100 Appropriated capital	262	292	243	202
3999 Total net position	262	292	243	202
4999 Total liabilities and net position	1,300	1,758	2,610	3,258

RURAL WATER AND WASTE DISPOSAL GUARANTEED LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4218-0-3-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Investment in secondary market			1
10.00 Total obligations			1
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	24		
22.00 New financing authority (gross)			1
22.21 Unobligated balance transferred to other accounts	-24		
23.90 Total budgetary resources available for obligation			1
23.95 New obligations			-1
New financing authority (gross), detail:			
Spending authority from offsetting collections (gross):			
Offsetting collections (cash)			
1			
Change in unpaid obligations:			
73.10 New obligations			1
73.20 Total financing disbursements (gross)			-1
87.00 Total financing disbursements (gross)			1

Credit accounts—Continued

**RURAL WATER AND WASTE DISPOSAL GUARANTEED LOANS
FINANCING ACCOUNT—Continued**

Program and Financing (in millions of dollars)—Continued

Identification code 12-4218-0-3-452	1996 actual	1997 est.	1998 est.
Offsets:			
Against gross financing authority and financing disbursements:			
88.40 Offsetting collections (cash) from: Fees			-1
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements			
Status of Guaranteed Loans (in millions of dollars)			
Identification code 12-4218-0-3-452	1996 actual	1997 est.	1998 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	-16		
2150 Total guaranteed loan commitments	59	75	75
2199 Guaranteed amount of guaranteed loan commitments	47	60	60
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	494	8	31
2231 Disbursements of new guaranteed loans	1	24	50
2251 Repayments and prepayments		-1	-1
2264 Adjustments: Other adjustments, net	-487		
2290 Outstanding, end of year	8	31	80
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	6	25	64
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	387		
2364 Other adjustments, net	-387		
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	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	24			
1999 Total assets	24			
LIABILITIES:				
2204 Non-Federal liabilities: Liabilities for loan guarantees	24			
2999 Total liabilities	24			
4999 Total liabilities and net position	24			

**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, as amended (7 U.S.C. 935), shall be made as follows: 5 percent rural electrification loans, \$125,000,000; 5 percent rural telecommunications loans, [\$75,000,000] \$40,000,000; cost of money rural telecommunications loans, \$300,000,000; municipal rate rural electric loans, [\$525,000,000] \$400,000,000; 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, as amended (7 U.S.C. 935 and 936), as follows: cost of [direct loans, \$4,818,000; cost of municipal rate loans, \$28,245,000; cost of money rural telecommunications loans, \$60,000; cost of loans guaranteed pursuant to section 306, \$2,790,000] rural electric loans, \$28,965,000, and the cost of telecommunications loans, \$1,628,000. 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] \$34,398,000, which shall be transferred to and merged with the appropriation for "Salaries and Expenses." (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.)

Unavailable Collections (in millions of dollars)

Identification code 12-1230-0-1-271	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year	39	40	40
Receipts:			
02.01 Rural electrification and telephone loans, negative subsidies	1		
04.00 Total: Balances and collections	40	40	40
07.99 Total balance, end of year	40	40	40

Program and Financing (in millions of dollars)

Identification code 12-1230-0-1-271	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct loan subsidy	94	36	31
00.05 Reestimate of the direct loan subsidy	8		
00.06 Interest on reestimates of direct loan subsidy	2		
00.09 Administrative expenses subject to limitation	30	30	34
10.00 Total obligations	134	66	65
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	135	66	65
22.30 Unobligated balance expiring	-1		
23.90 Total budgetary resources available for obligation	134	66	65
23.95 New obligations	-134	-66	-65
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	125	66	65
Permanent:			
60.05 Appropriation (indefinite)	10		
70.00 Total new budget authority (gross)	135	66	65
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	217	225	154
73.10 New obligations	134	66	65
73.20 Total outlays (gross)	-119	-137	-108
73.40 Adjustments in expired accounts	-7		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	225	154	111
Outlays (gross), detail:			
86.90 Outlays from new current authority	40	35	38
86.93 Outlays from current balances	79	102	70

87.00	Total outlays (gross)	119	137	108
Net budget authority and outlays:				
89.00	Budget authority	135	66	65
90.00	Outlays	119	137	108

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

Identification code 12-1230-0-1-271	1996 actual	1997 est.	1998 est.	
Direct loan levels supportable by subsidy budget authority:				
1150	Direct loans, electric	91	69	125
1150	Direct loans, municipal rate electric	545	456	400
1150	Direct loans, telecommunications	71	75	40
1150	Direct loans, Treasury rate telecommunications	217	300	300
1150	Direct loans, FFB electric	187	300	300
1150	Direct loans, FFB telecommunications	78	120	120
1159	Total direct loan levels	1,189	1,320	1,285
Direct loan subsidy (in percent):				
1320	Direct loans, electric	23.37	5.27	7.46
1320	Direct loans, municipal rate electric	10.44	6.20	4.22
1320	Direct loans, telecommunications	19.59	1.59	3.92
1320	Direct loans, Treasury rate telecommunications	0.02	0.02	0.02
1320	Direct loans, FFB electric	0.84	0.93	0.92
1320	Direct loans, FFB telecommunications	-0.05	-0.07	-0.07
1329	Weighted average subsidy rate	7.87	2.72	2.18
Direct loan subsidy budget authority:				
1330	Direct loans, electric	21	4	9
1330	Direct loans, municipal rate electric	57	28	17
1330	Direct loans, telecommunications	14	1	2
1330	Treasury rate telecommunications subsidy budget authority			
1330	Direct loans, FFB electric	2	3	3
1339	Total subsidy budget authority	94	36	31
Direct loan subsidy outlays:				
1340	Direct loans, electric	41	29	12
1340	Direct loans, municipal rate electric	32	43	43
1340	Direct loans, telecommunications	10	32	16
1340	Treasury rate telecommunications subsidy outlays			
1340	Direct loans, FFB electric	6	3	2
1349	Total subsidy outlays	89	107	73
Administrative expense data:				
3510	Budget authority	30	30	34
3590	Outlays	30	30	34

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	1996 actual	1997 est.	1998 est.	
25.3	Purchases of goods and services from Government accounts	30	30	34
41.0	Grants, subsidies, and contributions	102	36	31
43.0	Interest and dividends	2		
99.9	Total obligations	134	66	65

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4208-0-3-271	1996 actual	1997 est.	1998 est.	
Obligations by program activity:				
00.01	Direct loans, electric	272	69	75
00.02	Direct loans, Municipal rate electric	319	456	400
00.03	Direct loans, telecommunications	130	75	40
00.04	Direct loans, Treasury rate telecommunications		300	300
00.05	Direct loans, FFB electric	112	300	300
00.06	Direct loans, FFB telecommunications	32	120	120
00.07	Interest on Treasury borrowing	148	311	414
00.08	Negative subsidy	1		
00.09	Payment of Downward Reestimate	45		
00.10	Payment of Interest to downward Reestimate	10		
10.00	Total obligations	1,069	1,631	1,649
Budgetary resources available for obligation:				
22.00	New financing authority (gross)	1,069	1,631	1,649
23.95	New obligations	-1,069	-1,631	-1,649
New financing authority (gross), detail:				
67.15	Authority to borrow (indefinite)	717	1,228	1,158
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash)	344	476	538
68.10	Receivables from program account	8	-73	-47
68.90	Spending authority from offsetting collections (total)	352	403	491
70.00	Total new financing authority (gross)	1,069	1,631	1,649
Change in unpaid obligations:				
Unpaid obligations, start of year:				
72.90	Obligated balance: Unpaid obligations	3,241	3,268	3,165
72.95	Receivables from program account	217	225	152
72.99	Total unpaid obligations, start of year	3,458	3,493	3,317
73.10	New obligations	1,069	1,631	1,649
73.20	Total financing disbursements (gross)	-1,034	-1,807	-1,795
Unpaid obligations, end of year:				
74.90	Obligated balance: Unpaid obligations	3,268	3,165	3,066
74.95	Receivables from program account	225	152	105
74.99	Total unpaid obligations, end of year	3,493	3,317	3,171
87.00	Total financing disbursements (gross)	1,034	1,807	1,795
Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
Federal sources:				
88.00	Payment from program account	-2		
88.00	Federal sources		-107	-74
88.25	Interest on uninvested funds	-46		
Non-Federal sources:				
88.40	Repayment of principal	-96	-62	-82
88.40	Interest received on loans	-200	-307	-382
88.90	Total, offsetting collections (cash)	-344	-476	-538
88.95	Change in receivables from program accounts	-8	73	47
Net financing authority and financing disbursements:				
89.00	Financing authority	717	1,228	1,158
90.00	Financing disbursements	690	1,331	1,257

Status of Direct Loans (in millions of dollars)

Identification code 12-4208-0-3-271	1996 actual	1997 est.	1998 est.	
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans	1,189	1,319	1,235
1112	Unobligated direct loan limitation	-324		
1150	Total direct loan obligations	865	1,319	1,235
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	2,740	3,506	4,921
1231	Disbursements: Direct loan disbursements	861	1,479	1,379
1251	Repayments: Repayments and prepayments	-95	-64	-82

Credit accounts—Continued

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS DIRECT LOAN FINANCING ACCOUNT—Continued

Status of Direct Loans (in millions of dollars)—Continued

Identification code 12-4208-0-3-271	1996 actual	1997 est.	1998 est.
1290 Outstanding, end of year	3,506	4,921	6,218

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	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	163	-9	-9	
Investments in US securities:				
1106 Receivables, net	2,098	165	-179	
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	2,452	3,068	4,024	
1405 Allowance for subsidy cost (-)	-270	-122	-117	
1499 Net present value of assets related to direct loans	2,182	2,946	3,907	
1999 Total assets	4,443	3,102	3,719	
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	2,097	2	-302	
2103 Debt	2,367	2,945	3,907	
2999 Total liabilities	4,464	2,947	3,605	
4999 Total liabilities and net position	4,464	2,947	3,605	
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	31	9	9	
Investments in US securities:				
1106 Receivables, net	1,074	41	7	
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	288	438	897	
1405 Allowance for subsidy cost (-)	-28	-36	-85	
1499 Net present value of assets related to direct loans	260	402	812	
1999 Total assets	1,365	452	828	
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	1,067	41	7	
2103 Debt	298	403	813	
2999 Total liabilities	1,365	444	820	
4999 Total liabilities and net position	1,365	444	820	

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4230-0-3-271	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Interest expense on certificates of beneficial ownership	291	291	291
00.02 Interest expense, FFB direct	1,207	938	848
00.03 Other interest expense	617	193	228
10.00 Total obligations (object class 43.0)	2,115	1,422	1,367

Budgetary resources available for obligation:

Unobligated balance available, start of year:			
21.47 Authority to borrow		1,661	
21.90 Fund balance		138	
21.99 Total unobligated balance, start of year		1,799	
22.00 New budget authority (gross)	3,521	2,057	1,882
22.40 Capital transfer to general fund	600	-2,434	-515
22.70 Balance of authority to borrow withdrawn	-207		
23.90 Total budgetary resources available for obligation	3,914	1,422	1,367
23.95 New obligations	-2,115	-1,422	-1,367
Unobligated balance available, end of year:			
24.47 Authority to borrow		1,661	
24.90 Fund balance		138	
24.99 Total unobligated balance, end of year		1,799	

New budget authority (gross), detail:

Current:			
41.00 Transferred to other accounts			-6
Permanent:			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	3,790	3,250	2,658
68.47 Portion applied to debt reduction	-269	-1,193	-770
68.90 Spending authority from offsetting collections (total)	3,521	2,057	1,888
70.00 Total new budget authority (gross)	3,521	2,057	1,882

Change in unpaid obligations:

Unpaid obligations, start of year:			
Obligated balance:			
72.47 Authority to borrow	1,286		1,136
72.90 Fund balance	1,565	2,077	
72.99 Total unpaid obligations, start of year	2,851	2,077	1,136
73.10 New obligations	2,115	1,422	1,367
73.20 Total outlays (gross)	-2,289	-2,363	-1,958
73.40 Adjustments in expired accounts	-600		
Unpaid obligations, end of year:			
Obligated balance:			
74.47 Authority to borrow		1,136	545
74.90 Fund balance	2,077		
74.99 Total unpaid obligations, end of year	2,077	1,136	545

Outlays (gross), detail:

86.90 Outlays from new current authority			-6
86.97 Outlays from new permanent authority	3,521	2,057	1,888
86.98 Outlays from permanent balances	-1,232	306	76
87.00 Total outlays (gross)	2,289	2,363	1,958

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Loans repaid	-1,886	-1,582	-1,111
88.40 Interest from loans	-1,904	-1,668	-1,547
88.90 Total, offsetting collections (cash)	-3,790	-3,250	-2,658

Net budget authority and outlays:

89.00 Budget authority	-269	-1,193	-776
90.00 Outlays	-1,501	-887	-700

Status of Direct Loans (in millions of dollars)

Identification code 12-4230-0-3-271	1996 actual	1997 est.	1998 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	33,101	30,459	29,809
1231 Disbursements: Direct loan disbursements	114	940	596
1251 Repayments: Repayments and prepayments	-1,886	-1,590	-1,119
1264 Write-offs for default: Other adjustments, net	-870		
1290 Outstanding, end of year	30,459	29,809	29,286

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4230-0-3-271	1996 actual	1997 est.	1998 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	705	691	670

2251	Repayments and prepayments	-14	-21	-24
2290	Outstanding, end of year	691	670	646
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	691	670	646

STATUS OF AGENCY DEBT

[In millions of dollars]

Agency Debt Held by FFB:	1996 actual	1997 est.	1998 est.
Outstanding FFB Direct, start of year	16,049	15,449	15,136
Outstanding CBO's, start of year	4,599	4,599	4,599
New agency borrowing, FFB Direct	73		
New agency borrowing, CBO's			
Repayments and prepayments, FFB Direct	-673	-313	-336
Repayments and prepayments, CBO's			
Outstanding FFB Direct, end of year	15,449	15,136	14,800
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]

	1996 actual	1997 est.	1998 est.
Cumulative RUS financed direct loans	21,862	21,862	21,862
Cumulative FFB financed direct loans	27,443	27,443	27,443
Cumulative RUS funds advanced	21,814	21,827	21,838
Unadvanced RUS funds, end of year	49	35	25
Cumulative RUS principal repaid	11,360	12,039	12,628
Cumulative RUS interest paid	9,888	10,307	10,699
Cumulative loan guarantee commitments ¹	960	960	960
Number of borrowers	887	855	830

¹ 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]

	1996 actual	1997 est.	1998 est.
Cumulative RUS financed direct loans	6,074	6,074	6,074
Cumulative FFB financed direct loans	616	616	616
Cumulative RUS funds advanced	5,801	5,906	6,000
Unadvanced RUS funds, end of period	273	168	74
Cumulative RUS principal repaid	2,710	2,854	3,000
Cumulative RUS interest paid	2,291	2,426	2,560
Cumulative loan guarantee commitments ¹	3	3	3
Number of borrowers	897	900	905

¹ Other lenders—privately financed direct loans, FFB.

Statement of Operations (in millions of dollars)

Identification code 12-4230-0-3-271	1995 actual	1996 actual	1997 est.	1998 est.
ELECTRIC PROGRAM:				
0111 Revenue	1,782	1,803	1,532	1,407
0112 Expense	-2,782	-2,750	-1,365	-1,335
0119 Net income or loss (-)	-1,000	-947	167	72
TELEPHONE PROGRAM:				
0121 Revenue	173	159	181	183

Identification code 12-4230-0-3-271	1995 actual	1996 actual	1997 est.	1998 est.
0122 Expense	-96	-91	-66	-64
0129 Net income or loss (-)	77	68	115	119
0191 Total revenues	1,955	1,962	1,713	1,590
0192 Total expenses	-2,878	-2,841	-1,431	-1,399
0199 Net income or loss	-923	-879	282	191

Balance Sheet (in millions of dollars)

Identification code 12-4230-0-3-271	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	1,397	1,915	1,915	2,071
Investments in US securities:				
1106 Receivables, net	67	67	2	2
1206 Non-Federal assets: Receivables, net	194	194	7	7
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	33,101	27,073	26,445	25,967
1603 Allowance for estimated uncollectible loans and interest (-)	-4,724	-4,724	-4,733	-4,766
1699 Value of assets related to direct loans	28,377	22,349	21,712	21,201
1999 Total assets	30,035	24,525	23,636	23,281
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	304	304		
2103 Debt	28,863	24,948	24,278	23,627
Non-Federal liabilities:				
2201 Accounts payable	33	33		
2207 Other	2,863	2,863	2,863	2,863
2999 Total liabilities	32,063	28,148	27,141	26,490
NET POSITION:				
3100 Appropriated capital	1,896	1,896	1,741	1,741
3300 Cumulative results of operations	-3,923	-5,518	-5,245	-4,950
3999 Total net position	-2,027	-3,622	-3,504	-3,209
4999 Total liabilities and net position	30,036	24,526	23,637	23,281
ASSETS:				
Federal assets: Fund balances with Treasury				
1101	168	300	300	288
Non-Federal assets:				
1201 Investments in non-Federal securities, net	592	592	592	592
1206 Receivables, net	12	12		
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	3,386	3,386	3,364	3,319
1603 Allowance for estimated uncollectible loans and interest (-)	-15	-15	-15	-14
1699 Value of assets related to direct loans	3,371	3,371	3,349	3,305
1999 Total assets	4,143	4,275	4,241	4,185
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	3	3		
2103 Debt	2,428	2,428	2,107	1,807
Non-Federal liabilities:				
2201 Accounts payable	2	2		
2207 Other	22	22	13	
2999 Total liabilities	2,456	2,456	2,120	1,807
NET POSITION:				
3100 Appropriated capital	730	730	653	653
3300 Cumulative results of operations	957	1,089	1,468	1,726
3999 Total net position	1,687	1,819	2,121	2,379
4999 Total liabilities and net position	4,142	4,274	4,241	4,185

RURAL TELEPHONE BANK PROGRAM ACCOUNT

The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds available to such corporation

Credit accounts—Continued

RURAL TELEPHONE BANK PROGRAM ACCOUNT—Continued

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 amended, as may be necessary in carrying out its authorized programs for the current fiscal year. During fiscal year [1997] 1998 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, as amended (7 U.S.C. 935), [\$2,328,000] \$3,710,000.

In addition, for administrative expenses necessary to carry out the loan programs, [\$3,500,000] \$3,000,000. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-1231-0-1-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct loan subsidy	7	2	4
00.09 Administrative expenses subject to limitation	4	4	3
10.00 Total obligations	11	6	7
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	2	2	
22.00 New budget authority (gross)	12	6	7
22.30 Unobligated balance expiring	-1		
23.90 Total budgetary resources available for obligation	13	8	7
23.95 New obligations	-11	-6	-7
24.90 Unobligated balance available, end of year: Fund balance	2		
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	9	6	7
Permanent:			
60.05 Appropriation (indefinite)	3		
70.00 Total new budget authority (gross)	12	6	7
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	4	11	7
73.10 New obligations	11	6	7
73.20 Total outlays (gross)	-4	-9	-6
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	11	7	8
Outlays (gross), detail:			
86.90 Outlays from new current authority	4	4	3
86.93 Outlays from current balances		2	3
86.98 Outlays from permanent balances		3	
87.00 Total outlays (gross)	4	9	6
Net budget authority and outlays:			
89.00 Budget authority	12	6	7
90.00 Outlays	4	9	6

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

Identification code 12-1231-0-1-452	1996 actual	1997 est.	1998 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loan levels	126	176	175
1159 Total direct loan levels	126	176	175
Direct loan subsidy (in percent):			
1320 Subsidy rate	2.87	1.32	2.12
1329 Weighted average subsidy rate	2.87	1.32	2.12
Direct loan subsidy budget authority:			
1330 Subsidy budget authority	3	2	4

1339 Total subsidy budget authority	3	2	4
Direct loan subsidy outlays:			
1340 Subsidy outlays		2	3
1349 Total subsidy outlays		2	3
Administrative expense data:			
3510 Budget authority	4	4	3
3590 Outlays	4	4	3

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	1996 actual	1997 est.	1998 est.
25.3 Purchases of goods and services from Government accounts	4	4	4
41.0 Grants, subsidies, and contributions	7	2	3
99.9 Total obligations	11	6	7

RURAL TELEPHONE BANK DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4210-0-3-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct loans	126	176	175
00.03 Interest on Treasury borrowing	14	18	31
10.00 Total obligations	140	194	206
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	141	194	206
23.95 New obligations	-140	-194	-206
New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)	207	161	148
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	22	36	57
68.10 Receivables from program account	7	-3	1
68.47 Portion applied to debt reduction	-95		
68.90 Spending authority from offsetting collections (total)	-66	33	58
70.00 Total new financing authority (gross)	141	194	206
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.90 Obligated balance: Obligated balance	581	656	657
72.95 Receivables from program account	4	11	8
72.99 Total unpaid obligations, start of year	585	667	665
73.10 New obligations	140	194	206
73.20 Total financing disbursements (gross)	-58	-195	-269
Unpaid obligations, end of year:			
74.90 Obligated balance: Obligated balance	656	657	593
74.95 Receivables from program account	11	8	9
74.99 Total unpaid obligations, end of year	667	665	602
87.00 Total financing disbursements (gross)	58	195	269
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources: Payment from Program Account		-2	-3
88.25 Interest on uninvested funds	-6		
Non-Federal sources:			
88.40 Principal received on loans	-5	-3	-8
88.40 Interest received on loans	-9	-23	-35
88.40 Sale of RTB Stock	-2	-8	-11
88.90 Total, offsetting collections (cash)	-22	-36	-57
88.95 Change in receivables from program accounts	-7	3	-1

Net financing authority and financing disbursements:				
89.00	Financing authority	112	161	148
90.00	Financing disbursements	37	159	212

Status of Direct Loans (in millions of dollars)

Identification code 12-4210-0-3-452	1996 actual	1997 est.	1998 est.	
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans	126	176	175
1150	Total direct loan obligations	126	176	175
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	151	191	361
1231	Disbursements: Direct loan disbursements	45	173	238
1251	Repayments: Repayments and prepayments	-5	-3	-7
1264	Write-offs for default: Other adjustments, net			
1290	Outstanding, end of year	191	361	592

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	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101	Fund balances with Treasury	90	70	58
Investments in US securities:				
1106	Program Account	4	10	9
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross	118	158	328
1402	Interest receivable			23
1405	Allowance for subsidy cost (-)	-4	-8	-54
1499	Net present value of assets related to direct loans	114	150	297
1999	Total assets	208	160	375
LIABILITIES:				
2103	Federal liabilities: Debt	203	152	367
2201	Non-Federal liabilities: Accounts payable	5	8	9
2999	Total liabilities	208	160	375
4999	Total liabilities and net position	208	160	375

RURAL TELEPHONE BANK LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4231-0-3-452	1996 actual	1997 est.	1998 est.	
Obligations by program activity:				
00.01	Interest expense	32	28	7
00.02	Dividends	10	10	11
00.03	RTB Equity fund	83		
10.00	Total obligations	125	38	18
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year: Uninvested balance			412
22.00	New budget authority (gross)	111	521	157
22.10	Resources available from recoveries of prior year obligations	18		
22.40	Capital transfer to general fund			-545
22.70	Balance of authority to borrow withdrawn	-4	-71	-7
23.90	Total budgetary resources available for obligation	125	450	17
23.95	New obligations	-125	-38	-18
24.40	Unobligated balance available, end of year: Uninvested balance		412	

New budget authority (gross), detail:

Spending authority from offsetting collections:				
68.00	Offsetting collections (cash)	218	621	228
68.27	Capital transfer to general fund	-30	-40	-11
68.47	Portion applied to debt reduction	-77	-60	-60
68.90	Spending authority from offsetting collections (total)	111	521	157
70.00	Total new budget authority (gross)	111	521	157

Change in unpaid obligations:

Unpaid obligations, start of year:				
Obligated balance:				
72.47	Authority to borrow	238	233	162
72.90	Fund balance	58	15	25
72.99	Total unpaid obligations, start of year	296	248	187
73.10	New obligations	125	38	18
73.20	Total outlays (gross)	-154	-99	-66
73.45	Adjustments in unexpired accounts	-18		
Unpaid obligations, end of year:				
Obligated balance:				
74.47	Authority to borrow	233	162	138
74.90	Fund balance	15	25	1
74.99	Total unpaid obligations, end of year	248	187	139

Outlays (gross), detail:

86.97	Outlays from new permanent authority	111	99	66
86.98	Outlays from permanent balances	43		
87.00	Total outlays (gross)	154	99	66

Offsets:

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources		-412	
Non-Federal sources:				
88.40	Loans repaid	-117	-105	-125
88.40	Interest from loans	-100	-101	-102
88.40	Sales of stock	-1	-3	-1
88.90	Total, offsetting collections (cash)	-218	-621	-228

Net budget authority and outlays:

89.00	Budget authority	-107	-100	-71
90.00	Outlays	-63	-522	-162

Status of Direct Loans (in millions of dollars)

Identification code 12-4231-0-3-452	1996 actual	1997 est.	1998 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	1,414	1,328	1,283
1231	Disbursements: Direct loan disbursements	31	60	30
1251	Repayments: Repayments and prepayments	-117	-105	-125
1264	Write-offs for default: Other adjustments, net			
1290	Outstanding, end of year	1,328	1,283	1,188

As required by the Federal Credit Reform Act of 1990, this account records, for the Rural Telephone Bank, 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 (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year) is recorded in corresponding program and financing accounts.

The Rural Telephone Bank (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. The composite interest rate on cumulative loans through September 30, 1996, was 7.08 percent. The long-term interest rate on advances made during 1996 for loans approved after October 1, 1987, was 6.05 percent.

Equity capital of the Bank consists of class A stock purchased by the United States of \$574 million with a 2 percent dividend and classes B and C stock purchased by bank borrowers, organizations eligible to become borrowers and organi-

Credit accounts—Continued**RURAL TELEPHONE BANK LIQUIDATING ACCOUNT—Continued**

zations controlled by borrowers. The Bank has borrowed \$759 million from the Treasury. A total of \$76,663,381, at interest rates ranging from 9.125 percent to 10.625 percent was repaid during the fiscal year. The outstanding balance of \$388,274,125, is at interest rates of 7.25 percent to 9.125 percent. The \$574 million purchase of capital stock has been financed through appropriations.

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. In accordance with resolution 96-3, \$18,000,000 of class A stock was redeemed. Redemption of class A stock will occur in 1997 as allowed by law, toward the full privatization of the Rural Telephone Bank required by law.

Administrative support is provided for the general operations of the Bank by RUS employees and the Office of the General Counsel.

Bank loans totaled \$126 million in 1996. After almost 24 years in operation, loans to 650 borrowers have been approved, totaling over \$3.4 billion.

PROGRAM STATISTICS

[Dollars in millions]

	1996 actual	1997 est.	1998 est.
Cumulative net loans	3,425	3,621	3,796
Cumulative loan funds, advanced	2,545	2,778	3,046
Unadvanced loan funds, end of year	880	842	749
Cumulative principal repaid	1,060	1,167	1,300
Cumulative interest paid	1,923	2,046	2,104
Number of borrowers	564	564	564

Statement of Operations (in millions of dollars)

Identification code 12-4231-0-3-452	1995 actual	1996 actual	1997 est.	1998 est.
0101 Revenue	104	100	101	101
0102 Expense	-37	-31	-28	-6
0109 Net income or loss (-)	67	69	73	95

Balance Sheet (in millions of dollars)

Identification code 12-4231-0-3-452	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	58	15	437	1
1206 Non-Federal assets: Receivables, net	5	4	6	6
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	1,414	1,328	1,283	1,188
1603 Allowance for estimated uncollectible loans and interest (-)	-9	-8	-8	-7
1604 Direct loans and interest receivable, net	1,405	1,320	1,275	1,181
1699 Value of assets related to direct loans	1,405	1,320	1,275	1,181
1999 Total assets	1,468	1,339	1,718	1,188
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	15	16	16	16
2103 Debt	465	388	328	268
2105 Other			413	412
Non-Federal liabilities:				
2201 Accounts payable	2	2	2	2
2207 Other	394	359	414	490
2999 Total liabilities	876	765	1,173	1,188
NET POSITION:				
3100 Appropriated capital	592	574	545	
3999 Total net position	592	574	545	
4999 Total liabilities and net position	1,468	1,339	1,718	1,188

Object Classification (in millions of dollars)

Identification code 12-4231-0-3-452	1996 actual	1997 est.	1998 est.
33.0 Investments and loans	83		
43.0 Interest and dividends	42	38	18
99.9 Total obligations	125	38	18

DISTANCE LEARNING AND MEDICAL LINK DIRECT LOAN FINANCING ACCOUNT**Program and Financing (in millions of dollars)**

Identification code 12-4146-0-3-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct Loans		150	150
00.02 Interest on Treasury Borrowing		1	6
10.00 Total obligations		151	156
Budgetary resources available for obligation:			
22.00 New financing authority (gross)		151	156
23.95 New obligations		-151	-156
New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)		143	134
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)		7	23
68.10 Receivables from program account		1	-1
68.90 Spending authority from offsetting collections (total)		8	22
70.00 Total new financing authority (gross)		151	156
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.47 Obligated balance: Authority to borrow			105
72.95 Receivables from program account			1
72.99 Total unpaid obligations, start of year			106
73.10 New obligations		151	156
73.20 Total financing disbursements (gross)		-45	-120
Unpaid obligations, end of year:			
74.47 Obligated balance: Authority to borrow		105	142
74.95 Receivables from program account		1	
74.99 Total unpaid obligations, end of year		106	142
87.00 Total financing disbursements (gross)		45	120
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources			-1
Non-Federal sources:			
88.40 Repayment of principal		-3	-13
88.40 Interest received on loans		-4	-9
88.90 Total, offsetting collections (cash)		-7	-23
88.95 Change in receivables from program accounts		-1	1
Net financing authority and financing disbursements:			
89.00 Financing authority		143	134
90.00 Financing disbursements		38	97
Status of Direct Loans (in millions of dollars)			
Identification code 12-4146-0-3-452	1996 actual	1997 est.	1998 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans		150	150
1150 Total direct loan obligations		150	150
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year			42
1231 Disbursements: Direct loan disbursements		45	120
1251 Repayments: Repayments and prepayments		-3	-13
1290 Outstanding, end of year		42	149

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	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury				
Investments in US securities:				
1106 Receivables, net			1	
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross			42	149
1402 Interest receivable			4	9
1405 Allowance for subsidy cost (-)			-3	-9
1499 Net present value of assets related to direct loans			43	149
1999 Total assets			44	149
LIABILITIES:				
2101 Federal liabilities: Accounts payable			42	149
2203 Non-Federal liabilities: Liability for deposit funds				
2999 Total liabilities			42	149
NET POSITION:				
3100 Appropriated capital			1	
3999 Total net position			1	
4999 Total liabilities and net position			43	149

RURAL DEVELOPMENT INSURANCE FUND PROGRAM ACCOUNT

Unavailable Collections (in millions of dollars)

Identification code 12-2082-0-1-452	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year	8	8	8
07.99 Total balance, end of year	8	8	8

Program and Financing (in millions of dollars)

Identification code 12-2082-0-1-452	1996 actual	1997 est.	1998 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance			
22.21 Unobligated balance transferred to other accounts	7		
23.90 Total budgetary resources available for obligation			
23.95 New obligations	-7		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation			
73.20 Total outlays (gross)	295		
73.31 Obligated balance transferred to other accounts	-295		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

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, 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.

In 1994, this program account was administered by the Rural Development Administration. Under reorganization of the Department of Agriculture, the water and waste direct and guaranteed loan programs are administered through the

Rural Utilities Service's Rural Water and Waste Disposal Loans Program Account; the community facility direct and guaranteed loan programs are administered through the Rural Housing Service's Rural Community Facility Loans Program Account; and the business and industry direct and guaranteed loan programs are administered through the Rural Business-Cooperative Service's Rural Business and Industry Loans Program Account.

On October 1, 1995, all balances in this account were transferred to the appropriate above-cited accounts.

RURAL DEVELOPMENT INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4217-0-3-452	1996 actual	1997 est.	1998 est.
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance:			
Obligated balance			
73.20 Total financing disbursements (gross)	1,704		
73.31 Obligated balance transferred to other accounts	-1,704		
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements			

Status of Direct Loans (in millions of dollars)

Identification code 12-4217-0-3-452	1996 actual	1997 est.	1998 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
1150 Total direct loan obligations			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,218		
1264 Write-offs for default: Other adjustments, net	-1,218		
1290 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 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 direct loans for water systems, waste disposal facilities, community facilities, and businesses and industries in rural areas. Communities unable to afford low interest loans for water and waste disposal facilities are also able to obtain RUS grants.

In 1996, these loans were transferred to the Rural Water and Waste Disposal Loans Direct Financing Account in the Rural Utilities Service and the Rural Community Facility Loans Direct Financing Account in the Rural Housing Service.

Balance Sheet (in millions of dollars)

Identification code 12-4217-0-3-452	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	1,998			
Investments in US securities:				
1106 Receivables, net	295			
1206 Non-Federal assets: Receivables, net	16			
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	1,218			
1402 Interest receivable	36			
1405 Allowance for subsidy cost (-)	-167			
1499 Net present value of assets related to direct loans	1,087			
1999 Total assets	3,396			

Credit accounts—Continued

RURAL DEVELOPMENT INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT—Continued

Balance Sheet (in millions of dollars)—Continued

Identification code 12-4217-0-3-452	1995 actual	1996 actual	1997 est.	1998 est.
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	1,998			
2103 Debt	1,103			
2999 Total liabilities	3,101			
NET POSITION:				
3100 Appropriated capital	295			
3999 Total net position	295			
4999 Total liabilities and net position	3,396			

RURAL DEVELOPMENT INSURANCE FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4155-0-3-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Operating expenses:			
00.02 Purchase of loans from investors	1		3
00.03 Redemption of public CBO debt	3		
00.04 Purchase of guaranteed loans from investors	1	1	1
00.05 Interest on guaranteed loans purchased from investors	-1	1	1
00.91 Total operating expenses	4	2	5
Capital investment:			
01.01 Interest on FFB borrowings	515	515	515
01.02 Interest on certificates of beneficial ownership		1	1
01.03 Premium interest for investors	1		
01.05 Interest on Treasury borrowings	121	138	134
01.06 Loss settlement expense on guaranteed loans	5	9	7
01.09 Undistributed charges	2		
01.91 Total capital investment	644	663	657
10.00 Total obligations	648	665	662
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance		23	
22.00 New budget authority (gross)	697	669	682
22.10 Resources available from recoveries of prior year obligations	5		
22.60 Redemption of debt	-3	-1	-1
22.70 Balance of authority to borrow withdrawn	-27	-26	-19
23.90 Total budgetary resources available for obligation	672	665	662
23.95 New obligations	-648	-665	-662
24.90 Unobligated balance available, end of year: Fund balance	23		
New budget authority (gross), detail:			
60.05 Appropriation (indefinite)	550	250	300
60.47 Portion applied to debt reduction	-325	-30	-50
63.00 Appropriation (total)	225	220	250
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	472	449	432
70.00 Total new budget authority (gross)	697	669	682
Change in unpaid obligations:			
Unpaid obligations, start of year:			
Obligated balance:			
72.47 Authority to borrow	31		
72.90 Fund balance	297	293	258
72.99 Total unpaid obligations, start of year	328	293	258
73.10 New obligations	648	665	662
73.20 Total outlays (gross)	-678	-701	-664
73.45 Adjustments in unexpired accounts	-5		
74.90 Unpaid obligations, end of year: Obligated balance: Fund balance	293	258	257

Outlays (gross), detail:				
86.97	Outlays from new permanent authority	697	669	682
86.98	Outlays from permanent balances	-19	32	-18
87.00	Total outlays (gross)	678	701	664

Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Non-Federal sources:				
88.40	Repayments on loans held by fund	-204	-196	-188
88.40	Repayments of guaranteed loans purchased from investors	-6	-6	-6
88.40	Interest revenue	-249	-242	-233
88.40	Loan repayments on behalf of investors	-1		
88.40	Interest income on investment	-9	-5	-5
88.40	Guaranteed loss recoveries	-1		
88.40	Other revenue	-2		
88.90	Total, offsetting collections (cash)	-472	-449	-432

Net budget authority and outlays:				
89.00	Budget authority	225	220	250
90.00	Outlays	206	252	232

Status of Direct Loans (in millions of dollars)

Identification code 12-4155-0-3-452	1996 actual	1997 est.	1998 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	4,471	4,348	4,183
Disbursements:				
1231	Direct loan disbursements	11	35	
1232	Purchase of loans assets from the public	1		3
1251	Repayments: Repayments and prepayments	-204	-196	-188
1261	Adjustments: Capitalized interest	1		
Write-offs for default:				
1263	Direct loans	-5	-4	-4
1264	Other adjustments, net	73		
1290	Outstanding, end of year	4,348	4,183	3,994

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4155-0-3-452	1996 actual	1997 est.	1998 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	602	499	425
2231	Disbursements of new guaranteed loans	1	18	
2251	Repayments and prepayments	-84	-70	-62
2263	Adjustments: Terminations for default that result in claim payments	-20	-22	-19
2290	Outstanding, end of year	499	425	344

Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	407	347	282

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, 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	1995 actual	1996 actual	1997 est.	1998 est.
0101 Revenue	253	264	248	238
0102 Expense	-675	-642	-618	-585
0109 Net income or loss (-)	-422	-378	-370	-347

Balance Sheet (in millions of dollars)

Identification code 12-4155-0-3-452	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	297	316	284	301
Non-Federal assets:				
1201 Investments in non-Federal securities, net	34	34	34	34
1206 Receivables, net	65	63	174	168
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	4,471	4,349	4,183	3,994
1603 Allowance for estimated uncollectible loans and interest (-)	-1,694	-1,666	-1,602	-1,514
1604 Direct loans and interest receivable, net	2,777	2,683	2,581	2,480
1699 Value of assets related to direct loans	2,777	2,683	2,581	2,480
1901 Other Federal assets: Other assets	171	155	140	127
1999 Total assets	3,344	3,251	3,213	3,110
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	-1	-1	-1	
2103 Debt	5,156	4,831	4,801	4,751
2104 Resources payable to Treasury	66	60	50	41
2105 Other	24	23	18	18
Non-Federal liabilities:				
2201 Public	132	137	125	120
2202 Interest payable	146	121	138	134
2203 Debt	7	3	3	2
2999 Total liabilities	5,530	5,174	5,134	5,066
NET POSITION:				
3300 Cumulative results of operations	-2,186	-1,924	-1,923	-1,956
3999 Total net position	-2,186	-1,924	-1,923	-1,956
4999 Total liabilities and net position	3,344	3,250	3,211	3,110

Object Classification (in millions of dollars)

Identification code 12-4155-0-3-452	1996 actual	1997 est.	1998 est.
25.2 Other services	5	9	7
33.0 Investments and loans	2	1	4
43.0 Interest and dividends	639	655	651
92.0 Undistributed	2		
99.9 Total obligations	648	665	662

RURAL COMMUNICATION DEVELOPMENT FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4142-0-3-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Interest expense	3	3	3
10.00 Total obligations (object class 43.0)	3	3	3

Budgetary resources available for obligation:

21.40 Unobligated balance available, start of year:			
Uninvested balance	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 balance	1	1	1

New budget authority (gross), detail:

60.05 Appropriation (indefinite)	1	2	2
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	2	1	1
70.00 Total new budget authority (gross)	3	3	3

Change in unpaid obligations:

Unpaid obligations, start of year:			
Obligated balance:			
72.47 Authority to borrow	-1		
72.90 Fund balance	2	1	2
72.99 Total unpaid obligations, start of year	1	1	2
73.10 New obligations	3	3	3
73.20 Total outlays (gross)	-3	-3	-3
74.90 Unpaid obligations, end of year: Obligated balance:			
Fund balance	1	2	2

Outlays (gross), detail:

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

Offsets:

Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-2	-1	-1

Net budget authority and outlays:

89.00 Budget authority	1	2	2
90.00 Outlays	1	2	2

Status of Direct Loans (in millions of dollars)

Identification code 12-4142-0-3-452	1996 actual	1997 est.	1998 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	10	9	9
1251 Repayments: Repayments and prepayments	-1		-1
1290 Outstanding, end of year	9	9	8

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4142-0-3-452	1996 actual	1997 est.	1998 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	5	5	5
2251 Repayments and prepayments			-1
2290 Outstanding, end of year	5	5	4

Memorandum:

2299 Guaranteed amount of guaranteed loans outstanding, end of year	5	5	4
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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	1995 actual	1996 actual	1997 est.	1998 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	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	2	2	2	2

Credit accounts—Continued

RURAL COMMUNICATION DEVELOPMENT FUND LIQUIDATING ACCOUNT—Continued

Balance Sheet (in millions of dollars)—Continued

Identification code 12-4142-0-3-452	1995 actual	1996 actual	1997 est.	1998 est.
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	10	10	9	9
1603 Allowance for estimated uncollectible loans and interest (-)	-3	-3	-3	-3
1604 Direct loans and interest receivable, net	7	7	6	6
1699 Value of assets related to direct loans	7	7	6	6
1999 Total assets	9	9	8	8
LIABILITIES:				
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
NET POSITION:				
3100 Appropriated capital	9	11	13	14
3300 Cumulative results of operations	-27	-29	-32	-33
3999 Total net position	-18	-18	-19	-19
4999 Total liabilities and net position	9	9	8	8

Trust Funds

RURAL TELEPHONE BANK EQUITY FUND

Unavailable Collections (in millions of dollars)

Identification code 12-8139-0-7-452	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year	301	413	
Receipts:			
02.01 Rural Telephone Bank Trust Fund	83		
02.02 Interest on investments	29		
02.99 Total receipts	112		
04.00 Total: Balances and collections	413	413	
Appropriation:			
05.01 Rural Telephone Bank Equity Fund		-413	
07.99 Total balance, end of year	413		

Program and Financing (in millions of dollars)

Identification code 12-8139-0-7-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Program Activity		413	
10.00 Total obligations (object class 25.2)		413	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		413	
23.95 New obligations		-413	
New budget authority (gross), detail:			
60.27 Appropriation (trust fund, indefinite)		413	
		413	
Change in unpaid obligations:			
73.10 New obligations		413	
73.20 Total outlays (gross)		-413	
Outlays (gross), detail:			
86.97 Outlays from new permanent authority		413	
Net budget authority and outlays:			
89.00 Budget authority		413	

90.00 Outlays	413
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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 will be 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 will be 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, as amended, title V of the Housing Act of 1949, as amended, and cooperative agreements, **[\$60,743,000]** **[\$58,804,000]**. *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of 706(a) of the Organic Act of 1944, 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, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-1952-0-1-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct program	42	61	59
01.01 Reimbursable program	436	422	411
10.00 Total obligations	478	483	470
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	483	483	470
22.30 Unobligated balance expiring	-5		
23.90 Total budgetary resources available for obligation	478	483	470
23.95 New obligations	-478	-483	-470
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	47	61	59
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	436	422	411
70.00 Total new budget authority (gross)	483	483	470
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation		64	111
73.10 New obligations	478	483	470
73.20 Total outlays (gross)	-414	-436	-462
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	64	111	119
Outlays (gross), detail:			
86.90 Outlays from new current authority	36	50	48
86.93 Outlays from current balances		4	9
86.97 Outlays from new permanent authority	378	346	337
86.98 Outlays from permanent balances		36	68
87.00 Total outlays (gross)	414	436	462
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources		-422	-411
88.45 Offsetting governmental collections	-436		
88.90 Total, offsetting collections (cash)	-436	-422	-411

Net budget authority and outlays:				
89.00	Budget authority	47	61	59
90.00	Outlays	-22	14	51

The Secretary's reorganization plan established the Rural Housing Service (RHS). 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 Servicing System (DLOS) will be implemented to centralize and streamline the servicing activities of the agency. This innovation will significantly reduce the cost of operating the individual housing loan programs.

Object Classification (in millions of dollars)				
Identification code 12-1952-0-1-452	1996 actual	1997 est.	1998 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	24	33	32
11.3	Other than full-time permanent	2	2	2
11.5	Other personnel compensation	1	1	1
11.9	Total personnel compensation	27	36	35
12.1	Civilian personnel benefits	6	11	10
21.0	Travel and transportation of persons	2	2	2
22.0	Transportation of things			1
23.2	Rental payments to others	1	3	3
23.3	Communications, utilities, and miscellaneous charges	1	3	3
25.2	Other services	1	3	2
25.3	Purchases of goods and services from Government accounts	1	2	2
25.7	Operation and maintenance of equipment	1	2	2
26.0	Supplies and materials	1	1	1
31.0	Equipment	1		
99.0	Subtotal, direct obligations	42	63	61
99.0	Reimbursable obligations	436	420	408
99.5	Below reporting threshold			1
99.9	Total obligations	478	483	470

Personnel Summary

Identification code 12-1952-0-1-452	1996 actual	1997 est.	1998 est.	
Direct:				
Total compensable workyears:				
1001	Full-time equivalent employment	611	832	778
1005	Full-time equivalent of overtime and holiday hours	2	3	3
Reimbursable:				
Total compensable workyears:				
2001	Full-time equivalent employment	6,299	5,756	5,454
2005	Full-time equivalent of overtime and holiday hours	20	19	19

SALARIES AND EXPENSES

Program and Financing (in millions of dollars)

Identification code 12-2001-0-1-452	1996 actual	1997 est.	1998 est.	
Obligations by program activity:				
01.01	Reimbursable Program	2		
10.00	Total obligations (object class 21.0)	2		
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	2		
23.95	New obligations	-2		
New budget authority (gross), detail:				
68.00	Spending authority from offsetting collections (gross):			
	Offsetting collections (cash)	2		
Change in unpaid obligations:				
72.90	Unpaid obligations, start of year: Obligated balance:			
	Fund balance	113	36	

73.10	New obligations	2		
73.20	Total outlays (gross)	-74	-36	
73.40	Adjustments in expired accounts	-3		
74.90	Unpaid obligations, end of year: Obligated balance:			
	Fund balance	36		
Outlays (gross), detail:				
86.93	Outlays from current balances	74	36	
Offsets:				
Against gross budget authority and outlays:				
88.45	Offsetting collections (cash) from: Offsetting governmental collections	-2		
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	72	36	

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 [PROGRAM] GRANTS

(INCLUDING TRANSFERS OF FUNDS)

[For the cost of direct loans, loan guarantees, agreements, and grants, as authorized by 7 U.S.C. 1926, 42 U.S.C. 1472, 1474, 1479, 1486, and 1490(a), except for sections 381E, 381H, 381N of the Consolidated Farm and Rural Development Act, \$130,433,000, to remain available until expended, for direct loans and loan guarantees for community facilities, community facilities grant program, rental assistance associated with and direct loans for new construction of section 515 rental housing, rural housing for domestic farm labor grants, supervisory and technical assistance grants, very low-income housing repair grants, rural community fire protection grants, rural housing preservation grants, and compensation for construction defects of the Rural Housing Service: *Provided*, That the cost of direct loans and loan guarantees shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That the amounts appropriated shall be transferred to loan program and grant accounts as determined by the Secretary: *Provided further*, That of the funds made available in this paragraph not more than \$1,200,000 shall be available for the multi-family rural housing loan guarantee program as authorized by section 5 of Public Law 104-120: *Provided further*, That if such funds are not obligated for multi-family rural housing loan guarantees by June 30, 1997, they remain available for other authorized purposes under this head: *Provided further*, That of the total amount appropriated, not to exceed \$1,200,000 shall be available for the cost of direct loans, loan guarantees, and grants to be made available 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, 1997, they remain available for other authorized purposes under this head.]

For grants and contracts for housing for domestic farm labor, very low-income housing repair, mutual and self-help housing, 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, \$70,900,000, to remain available until expended: Provided, That any obligated and unobligated balances available from prior years in "Rural Housing for Domestic Farm Labor," "Mutual and Self-Help Housing Grants," "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, \$3,000,000 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, they shall remain available for other authorized purposes under this head. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.)

General and special funds—Continued

RURAL HOUSING ASSISTANCE [PROGRAM] GRANTS—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

Program and Financing (in millions of dollars)

Identification code 12-1953-0-1-999	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Community Facility Grants		7	
00.02 Domestic Farm Labor Grants			10
00.03 Very Low-Income Housing Repair Grants			25
00.04 Mutual and Self-Help Housing Grants			26
00.06 Compensation for Construction Defects			1
00.07 Rural Housing Preservation Grants			10
10.00 Total obligations (object class 41.0)		7	72
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	8		71
22.22 Unobligated balance transferred from other accounts			1
23.90 Total budgetary resources available for obligation	8		72
23.95 New obligations	-7		-72
New budget authority (gross), detail:			
40.00 Appropriation		130	71
41.00 Transferred to other accounts		-122	
43.00 Appropriation (total)		7	71
70.00 Total new budget authority (gross)		8	71
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation			6
73.10 New obligations	7		72
73.20 Total outlays (gross)	-1		-75
73.31 Obligated balance transferred to other accounts			-6
73.32 Obligated balance transferred from other accounts			71
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	6		67
Outlays (gross), detail:			
86.90 Outlays from new current authority	1		32
86.93 Outlays from current balances			43
87.00 Total outlays (gross)	1		75
Net budget authority and outlays:			
89.00 Budget authority	8		71
90.00 Outlays	1		75

This account consolidates six 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 mutual and self-help housing grant 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. This program is typically used in conjunc-

tion with the section 502 direct loan program and enables borrowers to borrow less money on the section 502 loans, thereby spreading that limited resource to more eligible and needy applicants.

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, [\$493,870,000] \$593,397,000; 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 [1997] 1998 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, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-0137-0-1-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	540	524	593
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	541	524	593
22.30 Unobligated balance expiring	-1		
23.90 Total budgetary resources available for obligation	540	524	593
23.95 New obligations	-540	-524	-593
New budget authority (gross), detail:			
40.00 Appropriation	541	494	593

40.05	Appropriation (indefinite)	165	128	83
40.47	Portion applied to debt reduction	-165	-128	-83
42.00	Transferred from other accounts		30	
43.00	Appropriation (total)	541	524	593
70.00	Total new budget authority (gross)	541	524	593
Change in unpaid obligations:				
Unpaid obligations, start of year:				
Obligated balance:				
72.40	Appropriation	1,306	1,529	1,650
72.47	Authority to borrow	1,169	1,004	877
72.99	Total unpaid obligations, start of year	2,475	2,533	2,527
73.10	New obligations	540	524	593
73.20	Total outlays (gross)	-482	-531	-553
73.40	Adjustments in expired accounts	-1		
Unpaid obligations, end of year:				
Obligated balance:				
74.40	Appropriation	1,529	1,650	1,774
74.47	Authority to borrow	1,004	877	794
74.99	Total unpaid obligations, end of year	2,533	2,527	2,568
Outlays (gross), detail:				
86.90	Outlays from new current authority	19	18	21
86.93	Outlays from current balances	298	385	449
86.98	Outlays from permanent balances	165	128	83
87.00	Total outlays (gross)	482	531	553
Net budget authority and outlays:				
89.00	Budget authority	541	524	593
90.00	Outlays	482	531	553

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 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.

Included in the request is \$52 million for the conversion of the HUD's section 8 contracts to USDA's section 521 rental assistance program contracts. The Administration believes USDA's budget-based approach to rental assistance on multi-family housing is more cost-efficient than HUD's "automatic" annual rent adjustments.

RURAL HOUSING VOUCHER PROGRAM

Program and Financing (in millions of dollars)

Identification code 12-2002-0-1-604		1996 actual	1997 est.	1998 est.
Change in unpaid obligations:				
Unpaid obligations, start of year: Obligated balance:				
72.40	Appropriation	5	4	3
73.20	Total outlays (gross)	-1	-1	-1
Unpaid obligations, end of year: Obligated balance:				
74.40	Appropriation	4	3	2
Outlays (gross), detail:				
86.93	Outlays from current balances	1	1	1
Net budget authority and outlays:				
89.00	Budget authority			

90.00	Outlays	1	1	1
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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.

RURAL HOUSING FOR DOMESTIC FARM LABOR

Program and Financing (in millions of dollars)

Identification code 12-2004-0-1-604		1996 actual	1997 est.	1998 est.
Obligations by program activity:				
10.00	Total obligations (object class 41.0)	10	6	
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	10	6	
23.95	New obligations	-10	-6	
New budget authority (gross), detail:				
40.00	Appropriation	10		
42.00	Transferred from other accounts		6	
43.00	Appropriation (total)	10	6	
70.00	Total new budget authority (gross)	10	6	
Change in unpaid obligations:				
Unpaid obligations, start of year: Obligated balance:				
72.40	Appropriation	51	42	29
73.10	New obligations	10	6	
73.20	Total outlays (gross)	-20	-20	
73.31	Obligated balance transferred to other accounts			-29
Unpaid obligations, end of year: Obligated balance:				
74.40	Appropriation	42	29	
Outlays (gross), detail:				
86.90	Outlays from new current authority		1	
86.93	Outlays from current balances	20	19	
87.00	Total outlays (gross)	20	20	
Net budget authority and outlays:				
89.00	Budget authority	10	6	
90.00	Outlays	19	20	

This grant program is authorized under section 516 of the Housing Act of 1949, as amended. Grants 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.

In 1998, the funding for rural housing for domestic farm labor grants is requested to be appropriated to the Rural Housing Assistance Grants Account. Also, requested is all balances in this account be transferred to the Rural Housing Assistance Grants account.

[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).] (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.)

General and special funds—Continued

[MUTUAL AND SELF-HELP HOUSING GRANTS]—Continued

Program and Financing (in millions of dollars)

Identification code 12-2006-0-1-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	13	26	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	13	26	
23.95 New obligations	-13	-26	
New budget authority (gross), detail:			
40.00 Appropriation	13	26	
	13	26	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	18	16	24
73.10 New obligations	13	26	
73.20 Total outlays (gross)	-15	-17	
73.31 Obligated balance transferred to other accounts			-24
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	16	24	
Outlays (gross), detail:			
86.90 Outlays from new current authority	4	5	
86.93 Outlays from current balances	11	12	
87.00 Total outlays (gross)	15	17	
Net budget authority and outlays:			
89.00 Budget authority	13	26	
90.00 Outlays	15	17	

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.

In 1998, the funding for mutual and self-housing grants is requested to be appropriated to the Rural Housing Assistance Grants account. Also, requested is all balances in this account be transferred to the Rural Housing Assistance Grants account.

SUPERVISORY AND TECHNICAL ASSISTANCE GRANTS

Program and Financing (in millions of dollars)

Identification code 12-2009-0-1-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	3	2	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	5	2	
23.95 New obligations	-3	-2	
24.40 Unobligated balance available, end of year:			
Uninvested balance	2		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	1	3	2
73.10 New obligations	3	2	
73.20 Total outlays (gross)	-1	-3	
73.31 Obligated balance transferred to other accounts			-2
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	3	2	
Outlays (gross), detail:			
86.93 Outlays from current balances	1	3	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	1	3	

This program is carried out under the provisions of sections 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.

In 1998, funding for supervisory and technical assistance grants is requested to be appropriated to the Rural Housing Assistance Grants account. Also, requested is all balances in this account be transferred to the Rural Housing Assistance Grants account.

VERY LOW-INCOME HOUSING REPAIR GRANTS

Program and Financing (in millions of dollars)

Identification code 12-2064-0-1-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	26	17	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance		1	
22.00 New budget authority (gross)	26	16	
23.90 Total budgetary resources available for obligation	26	17	
23.95 New obligations	-26	-17	
24.40 Unobligated balance available, end of year:			
Uninvested balance	1		
New budget authority (gross), detail:			
40.00 Appropriation	26		
42.00 Transferred from other accounts		16	
43.00 Appropriation (total)	26	16	
70.00 Total new budget authority (gross)	26	16	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	4	3	1
73.10 New obligations	26	17	
73.20 Total outlays (gross)	-25	-19	
73.31 Obligated balance transferred to other accounts			-1
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	3	1	
Outlays (gross), detail:			
86.90 Outlays from new current authority	25	15	
86.93 Outlays from current balances		4	
87.00 Total outlays (gross)	25	19	
Net budget authority and outlays:			
89.00 Budget authority	26	16	
90.00 Outlays	25	19	

This 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.

In 1998, the funding for very low-income housing repair grants is requested to be appropriated to the Rural Housing Assistance Grants account. Also, requested is all balances in this account be transferred to the Rural Housing Assistance Grants account.

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.

Program and Financing (in millions of dollars)

Identification code 12-2067-0-1-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	2	1	2
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	2	1	2
23.95 New obligations	-2	-1	-2
New budget authority (gross), detail:			
40.00 Appropriation	2		2
42.00 Transferred from other accounts		1	
43.00 Appropriation (total)	2	1	2
70.00 Total new budget authority (gross)	2	1	2
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	3	2	1
73.10 New obligations	2	1	2
73.20 Total outlays (gross)	-3	-2	-2
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	2	1	2
Outlays (gross), detail:			
86.90 Outlays from new current authority	1		1
86.93 Outlays from current balances	2	2	1
87.00 Total outlays (gross)	3	2	2
Net budget authority and outlays:			
89.00 Budget authority	2	1	2
90.00 Outlays	3	2	2

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 is requested to be appropriated to this account.

RURAL HOUSING PRESERVATION GRANTS

Program and Financing (in millions of dollars)

Identification code 12-2070-0-1-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	11	7	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	11	7	
23.95 New obligations	-11	-7	
New budget authority (gross), detail:			
40.00 Appropriation	11		
42.00 Transferred from other accounts		7	
43.00 Appropriation (total)	11	7	
70.00 Total new budget authority (gross)	11	7	

Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	34	24	15
73.10 New obligations	11	7	
73.20 Total outlays (gross)	-21	-16	
73.31 Obligated balance transferred to other accounts			-15
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	24	15	

Outlays (gross), detail:			
86.93 Outlays from current balances	21	16	

Net budget authority and outlays:			
89.00 Budget authority	11	7	
90.00 Outlays	21	16	

This grant program is authorized under section 533 of the Housing Act of 1949, as amended. Grants are made to eligible private 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.

In 1998, the funding for rural housing preservation grants is requested to be appropriated to the Rural Housing Assistance Grants account. Also, requested is all balances in this account be transferred to the Rural Housing Assistance Grants account.

COMPENSATION FOR CONSTRUCTION DEFECTS

Program and Financing (in millions of dollars)

Identification code 12-2071-0-1-371	1996 actual	1997 est.	1998 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	2	2	1
22.21 Unobligated balance transferred to other accounts			-1
23.90 Total budgetary resources available for obligation	2	2	
24.40 Unobligated balance available, end of year:			
Uninvested balance	2	1	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

This 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.

In 1998, the funding for compensation for construction defects is requested to be appropriated to the Rural Housing Assistance Grants account. Also, requested is all balances in this account be transferred to the Rural Housing Assistance Grants account.

Credit accounts:

RURAL COMMUNITY FACILITY LOANS PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-1951-0-1-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct loan subsidy	35	11	
00.02 Guaranteed loan subsidy	3	1	
00.03 Reestimates of direct loan subsidy	9		
00.04 Interest on reestimates of direct loan subsidy	1		
00.07 Administrative expenses	9		

Credit accounts—Continued

RURAL COMMUNITY FACILITY LOANS PROGRAM ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1951-0-1-452	1996 actual	1997 est.	1998 est.
10.00 Total obligations	57	12	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance		5	
22.00 New budget authority (gross)	57	12	
22.10 Resources available from recoveries of prior year obligations	1		
22.22 Unobligated balance transferred from other accounts	5		
22.30 Unobligated balance expiring	-1	-5	
23.90 Total budgetary resources available for obligation	62	12	
23.95 New obligations	-57	-12	
24.40 Unobligated balance available, end of year:			
Uninvested balance	5		
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	47		
42.00 Transferred from other accounts		12	
43.00 Appropriation (total)	47	12	
Permanent:			
60.05 Appropriation (indefinite)	10		
70.00 Total new budget authority (gross)	57	12	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation		52	41
73.10 New obligations	57	12	
73.20 Total outlays (gross)	-37	-23	
73.31 Obligated balance transferred to other accounts			-41
73.32 Obligated balance transferred from other accounts	33		
73.45 Adjustments in unexpired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	52	41	
Outlays (gross), detail:			
86.90 Outlays from new current authority	15	2	
86.93 Outlays from current balances	12	21	
86.97 Outlays from new permanent authority	10		
87.00 Total outlays (gross)	37	23	
Net budget authority and outlays:			
89.00 Budget authority	57	12	
90.00 Outlays	37	23	

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

Identification code 12-1951-0-1-452	1996 actual	1997 est.	1998 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loan levels	208	137	
1159 Total direct loan levels	208	137	
Direct loan subsidy (in percent):			
1320 Subsidy rate	16.80	8.73	
1329 Weighted average subsidy rate	16.80	8.73	
Direct loan subsidy budget authority:			
1330 Subsidy budget authority	35	11	
1339 Total subsidy budget authority	35	11	
Direct loan subsidy outlays:			
1340 Subsidy outlays	15	21	
1349 Total subsidy outlays	15	21	
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels	75	74	
2159 Total loan guarantee levels	75	74	
Guaranteed loan subsidy (in percent):			
2320 Guaranteed subsidy rate	4.76	0.41	

2329 Weighted average subsidy rate	4.76	0.41	
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority	3	1	
2339 Total subsidy budget authority	3	1	
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays	3	1	
2349 Total subsidy outlays	3	1	
Administrative expense data:			
3510 Budget authority	9		
3590 Outlays	9		

This account provides funding to local governments and nonprofit organizations for the construction and improvement of community facilities providing essential services in rural areas, such as hospitals and fire stations.

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, 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.

In 1998, funding is requested to be appropriated for the direct and guaranteed community facility loan programs to the Rural Community Advancement Program and all balances from the Community Facility Loans Program Account be transferred to the Rural Community Advancement Program account. Funding for salaries and expenses associated with the program is requested to be appropriated to the Rural Housing Service, Salaries and Expenses account.

Object Classification (in millions of dollars)

Identification code 12-1951-0-1-452	1996 actual	1997 est.	1998 est.
25.3 Purchases of goods and services from Government accounts	9		
41.0 Grants, subsidies, and contributions	48	12	
99.9 Total obligations	57	12	

RURAL COMMUNITY FACILITY DIRECT LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4225-0-1-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct Loans	208	137	209
00.02 Interest on Treasury Borrowing	27	32	45
00.03 Recertified checks	1		
10.00 Total obligations	236	169	254
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	237	169	254
23.95 New obligations	-236	-169	-254
New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)	188	131	204
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	61	48	56
68.10 Receivables from program account	19	-10	-6
68.47 Portion applied to debt reduction	-31		
68.90 Spending authority from offsetting collections (total)	49	38	50
70.00 Total new financing authority (gross)	237	169	254
Change in unpaid obligations:			
Unpaid obligations, start of year:			
Obligated balance:			
72.47 Authority to borrow		75	71
72.90 Obligated balance		222	212
72.95 Receivables from program account	33	52	42

72.99	Total unpaid obligations, start of year	33	349	325
73.10	New obligations	236	169	254
73.20	Total financing disbursements (gross)	-147	-193	-224
73.32	Obligated balance transferred from other accounts	234		
73.40	Adjustments in expired accounts	-7		
	Unpaid obligations, end of year:			
	Obligated balance:			
74.47	Authority to borrow	75	71	80
74.90	Obligated balance	222	212	239
74.95	Receivables from program account	52	42	36
74.99	Total unpaid obligations, end of year	349	325	355
87.00	Total financing disbursements (gross)	147	193	224

Offsets:

	Against gross financing authority and financing disbursements:			
	Offsetting collections (cash) from:			
88.00	Federal sources	-26	-22	-23
88.25	Interest on uninvested funds	-10	-1	-2
	Non-Federal sources:			
88.40	Repayment of principal	-10	-8	-10
88.40	Interest received on loans	-14	-17	-21
88.40	Miscellaneous offsetting collections	-1		
88.90	Total, offsetting collections (cash)	-61	-48	-56
88.95	Change in receivables from program accounts	-19	10	6
	Net financing authority and financing disbursements:			
89.00	Financing authority	157	131	204
90.00	Financing disbursements	86	145	168

Status of Direct Loans (in millions of dollars)

Identification code 12-4225-0-1-452	1996 actual	1997 est.	1998 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	208	137	209
1150 Total direct loan obligations	208	137	209
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year		348	501
1231 Disbursements: Direct loan disbursements	118	161	180
1251 Repayments: Repayments and prepayments	-10	-8	-10
1264 Write-offs for default: Other adjustments, net	240		
1290 Outstanding, end of year	348	501	671

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	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	75	71	80	
Investments in US securities:				
1106 Receivables, net	52	42	36	
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	348	501	670	
1402 Interest receivable	4	17	21	
1405 Allowance for subsidy cost (-)	-50	-87	-99	
1499 Net present value of assets related to direct loans	302	431	592	
1999 Total assets	429	544	708	
LIABILITIES:				
2101 Federal liabilities: Accounts payable	375	501	670	

2203 Non-Federal liabilities: Liability for deposit funds	2	1	2
2999 Total liabilities	377	502	672
NET POSITION:			
3100 Appropriated capital	52	42	36
3999 Total net position	52	42	36
4999 Total liabilities and net position	429	544	708

RURAL COMMUNITY FACILITY GUARANTEED LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4228-0-1-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.02 Subsidy reestimate paid to receipt account	1		
00.03 Investment in secondary market			1
10.00 Total obligations	1		1
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance		7	9
22.00 New financing authority (gross)	4	2	3
22.22 Unobligated balance transferred from other accounts	4		
23.90 Total budgetary resources available for obligation	8	9	12
23.95 New obligations	-1		-1
24.90 Unobligated balance available, end of year: Fund balance	7	9	11
New financing authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	4	2	3
Total	4	2	3
Change in unpaid obligations:			
73.10 New obligations	1		1
73.20 Total financing disbursements (gross)	-1		-1
87.00 Total financing disbursements (gross)	1		1
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources	-3	-2	-1
Interest on uninvested funds			-2
Non-Federal sources	-1		
88.90 Total, offsetting collections (cash)	-4	-2	-3
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements	-3	-2	-2

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4228-0-1-452	1996 actual	1997 est.	1998 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	75	74	209
2112 Uncommitted loan guarantee limitation	-19		
2150 Total guaranteed loan commitments	56	74	209
2199 Guaranteed amount of guaranteed loan commitments	45	59	168
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year		94	143
2231 Disbursements of new guaranteed loans	45	54	77
2251 Repayments and prepayments	-5	-5	-8
2264 Adjustments: Other adjustments, net	54		
2290 Outstanding, end of year	94	143	212
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	75	114	169

Credit accounts—Continued

RURAL COMMUNITY FACILITY GUARANTEED LOANS FINANCING ACCOUNT—Continued

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	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury		8	9	12
1999 Total assets		8	9	12
LIABILITIES:				
2204 Non-Federal liabilities: Liabilities for loan guarantees		8	9	12
2999 Total liabilities		8	9	12
4999 Total liabilities and net position		8	9	12

**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 insurance fund, as follows: **[\$3,300,000,000]** \$4,000,000,000 for loans to section 502 borrowers, as determined by the Secretary, of which **[\$2,300,000,000]** \$3,000,000,000 shall be for unsubsidized guaranteed loans; **[\$35,000,000]** \$30,000,000 for section 504 housing repair loans; **[\$15,000,000]** \$15,001,000 for section 514 farm labor housing; **[\$58,654,000]** \$128,640,000 for section 515 rental housing; **\$600,000** for section 524 site loans; **[\$50,000,000]** \$25,004,000 for credit sales of acquired property; and **[\$600,000]** \$587,000 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, **[\$89,210,000]** \$135,000,000, of which **[\$6,210,000]** \$6,900,000 shall be for unsubsidized guaranteed loans; section 504 housing repair loans, **[\$11,081,000]** \$10,308,000; section 514 farm labor housing, **[\$6,885,000]** \$7,388,000; section 515 rental housing, **[\$28,987,000]** \$68,745,000; credit sales of acquired property, **[\$4,050,000]** \$3,493,000; and section 523 self-help housing land development loans, **[\$17,000]** \$20,000. *Provided, That of the total amount available, \$3,603,600 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, 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, **[\$366,205,000]** \$354,785,000, 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, 1997.)

Unavailable Collections (in millions of dollars)

Identification code 12-2081-0-1-371	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year		41	41
Receipts:			
02.01 Rural housing insurance fund, downward reestimates of subsidies	41		
04.00 Total: Balances and collections	41	41	41

07.99	Total balance, end of year	41	41	41
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Program and Financing (in millions of dollars)

Identification code 12-2081-0-1-371	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct loan subsidy	249	190	218
00.02 Guaranteed loan subsidy	4	7	7
00.05 Reestimates of direct loan subsidy	46		
00.06 Interest on reestimates of direct loan subsidy	8		
00.09 Administrative expenses—salaries, expenses	373	366	355
00.10 Administrative expenses—nonrecoverable expenses	10		
10.00 Total obligations	690	563	580

Budgetary resources available for obligation:

21.40 Unobligated balance available, start of year:			
Uninvested balance		6	
22.00 New budget authority (gross)	700	557	580
22.30 Unobligated balance expiring	-4		
23.90 Total budgetary resources available for obligation	696	563	580
23.95 New obligations	-690	-563	-580
24.40 Unobligated balance available, end of year:			
Uninvested balance		6	

New budget authority (gross), detail:

Current:			
40.00 Appropriation	646	507	580
42.00 Transferred from other accounts		50	
43.00 Appropriation (total)	646	557	580
Permanent:			
60.05 Appropriation (indefinite)	54		
70.00 Total new budget authority (gross)	700	557	580

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	269	231	168
73.10 New obligations	690	563	580
73.20 Total outlays (gross)	-725	-626	-609
73.40 Adjustments in expired accounts	-2		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	231	168	139

Outlays (gross), detail:

86.90 Outlays from new current authority	512	463	487
86.93 Outlays from current balances	159	163	122
86.97 Outlays from new permanent authority	54		
87.00 Total outlays (gross)	725	626	609

Net budget authority and outlays:

89.00 Budget authority	700	557	580
90.00 Outlays	725	626	609

Summary of Budget Authority and Outlays

(in millions of dollars)

	1996 actual	1997 est.	1998 est.
Enacted/requested:			
Budget Authority	700	557	580
Outlays	725	626	609
Legislative proposal, not subject to PAYGO:			
Budget Authority			
Outlays			
Total:			
Budget Authority	700	557	580
Outlays	725	626	609

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

Identification code 12-2081-0-1-371	1996 actual	1997 est.	1998 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Single family housing	1,051	585	1,000
1150 Multi-family housing	151	153	128
1150 Housing repair	42	30	30
1150 Farm labor housing	15	15	15
1150 Site development	1	1	1
1150 Credit sales of acquired property		28	25

1150	Self-help housing		1	1
1159	Total direct loan levels	1,260	813	1,200
	Direct loan subsidy (in percent):			
1320	Single family housing	14.30	14.18	12.81
1320	Multi-family housing	53.80	51.24	53.44
1320	Housing repair	37.55	36.63	34.36
1320	Farm labor housing	56.80	47.77	49.25
1320	Site development	-1.51	-1.02	-1.19
1320	Credit sales of acquired property	17.43	14.28	13.97
1320	Self-help housing	5.21	2.87	3.41
1329	Weighted average subsidy rate	20.38	22.30	18.17
	Direct loan subsidy budget authority:			
1330	Single family housing	150	83	128
1330	Multi-family housing	81	78	69
1330	Housing repair	16	11	10
1330	Farm labor housing	9	7	7
1330	Site development			
1330	Credit Sales on acquired property		4	3
1330	Self-help housing			
1339	Total subsidy budget authority	256	183	218
	Direct loan subsidy outlays:			
1340	Single family housing	134	100	123
1340	Multi-family housing	130	127	102
1340	Housing repair	12	10	12
1340	Farm labor housing	11	6	7
1340	Site Development			
1340	Credit sales of acquired property		4	3
1340	Self-help housing			
1349	Total subsidy outlays	287	247	247
	Guaranteed loan levels supportable by subsidy budget authority:			
2150	Single family housing—unsubsidized	1,700	2,700	3,000
2150	Multifamily Housing	13	13	
2159	Total loan guarantee levels	1,713	2,713	3,000
	Guaranteed loan subsidy (in percent):			
2320	Single family housing—unsubsidized	0.23	0.23	0.23
2320	Multi Family Housing	6.10	5.88	6.09
2329	Weighted average subsidy rate	0.24	0.26	0.23
	Guaranteed loan subsidy budget authority:			
2330	Single family housing—unsubsidized	3	6	7
2330	Multi Family Housing	1	1	
2339	Total subsidy budget authority	4	7	7
	Guaranteed loan subsidy outlays:			
2340	Single family housing—unsubsidized	3	4	7
2340	Multi Family Housing		1	
2349	Total subsidy outlays	3	5	7
	Administrative expense data:			
3510	Budget authority	386	366	355
3590	Outlays	381	373	355

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, and credit sales of acquired property. The section 523 self-help housing land development loan program is included under this heading beginning with the 1997 budget. 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	1996 actual	1997 est.	1998 est.
25.3 Purchases of goods and services from Government accounts	383	366	355
41.0 Grants, subsidies, and contributions	307	197	225
99.9 Total obligations	690	563	580

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	1996 actual	1997 est.	1998 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Multi-family housing			21
1159 Total direct loan levels			21
Direct loan subsidy (in percent):			
1320 Multi-family housing			-7.61
1329 Weighted average subsidy rate			-7.61
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Single family housing, unsub, refinancing			100
2159 Total loan guarantee levels			100
Guaranteed loan subsidy (in percent):			
2320 Single family housing, unsub, refinancing			0.02
2329 Weighted average subsidy rate			0.02

Proposed legislation to amend the Housing Act of 1949, would provide for additional direct loans for the section 515 rural rental housing loan program as a result of a "balloon" payment in year 30, lowering the cost of the program. A new section 502 guaranteed rural housing loan program is also 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	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct loans	1,218	993	1,200
00.02 Advances on behalf of borrowers	6	30	28
00.03 Collateral acquired by default		3	4
00.04 Interest on Treasury borrowing	424	483	544
00.05 Subsidy reestimate paid to receipt account	35		
00.06 Other expenses	8		
10.00 Total obligations	1,691	1,509	1,776

Credit accounts—Continued

RURAL HOUSING INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-4215-0-3-371	1996 actual	1997 est.	1998 est.
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	1,691	1,509	1,776
23.95 New obligations	-1,691	-1,509	-1,776
New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)	983	1,021	1,263
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	866	863	967
68.10 Receivables from program account	-43	-54	-32
68.47 Portion applied to debt reduction	-115	-321	-422
68.90 Spending authority from offsetting collections (total)	708	488	513
70.00 Total new financing authority (gross)	1,691	1,509	1,776
Change in unpaid obligations:			
Unpaid obligations, start of year:			
Obligated balance:			
72.47 Authority to borrow	14	33	25
72.90 Obligated balance	265	334	250
72.95 Receivables from program account	264	221	167
72.99 Total unpaid obligations, start of year	543	588	442
73.10 New obligations	1,691	1,509	1,776
73.20 Total financing disbursements (gross)	-1,634	-1,655	-1,784
73.40 Adjustments in expired accounts	-13		
Unpaid obligations, end of year:			
Obligated balance:			
74.47 Authority to borrow	33	25	35
74.90 Obligated balance	334	250	264
74.95 Receivables from program account	221	167	135
74.99 Total unpaid obligations, end of year	588	442	434
87.00 Total financing disbursements (gross)	1,634	1,655	1,784
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-342	-264	-251
88.25 Interest on uninvested funds	-69	-78	-81
Non-Federal sources:			
88.40 Repayments of principal	-136	-174	-215
88.40 Interest received on loans	-288	-330	-400
88.40 Repayments on advances	-2	-3	-4
88.40 Proceeds on sale of acquired property	-8	-14	-16
88.40 Fees and miscellaneous collections	-21		
88.90 Total, offsetting collections (cash)	-866	-863	-967
88.95 Change in receivables from program accounts	43	54	32
Net financing authority and financing disbursements:			
89.00 Financing authority	868	700	841
90.00 Financing disbursements	768	792	817

Status of Direct Loans (in millions of dollars)

Identification code 12-4215-0-3-371	1996 actual	1997 est.	1998 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	1,260	852	1,200
1112 Unobligated direct loan limitation	-3		
1113 Unobligated limitation carried forward	-39		
1131 Direct loan obligations exempt from limitation		141	
1150 Total direct loan obligations	1,218	993	1,200
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	6,797	7,800	8,786
1231 Disbursements: Direct loan disbursements	1,153	1,138	1,208
1251 Repayments: Repayments and prepayments	-138	-177	-219
1261 Adjustments: Capitalized interest	10	11	12
Write-offs for default:			
1263 Direct loans	-12	-16	-18
1264 Other adjustments, net	-10	30	28

1290 Outstanding, end of year	7,800	8,786	9,797
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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 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 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	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	265	334	250	264
Investments in US securities:				
1106 Receivables, net	264	221	167	135
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	6,797	7,800	8,786	9,797
1402 Interest receivable	28	39	46	54
1404 Foreclosed property	5	10	15	23
1405 Allowance for subsidy cost (-)	-1,962	-2,202	-2,405	-2,612
1499 Net present value of assets related to direct loans	4,868	5,647	6,442	7,262
1999 Total assets	5,397	6,202	6,859	7,661
LIABILITIES:				
Federal liabilities:				
2102 Interest payable				
2103 Debt	5,113	5,950	6,657	7,488
2104 Resources payable to Treasury	264	221	167	135
2105 Other				
2207 Non-Federal liabilities: Other	20	31	35	39
2999 Total liabilities	5,397	6,202	6,859	7,662
4999 Total liabilities and net position	5,397	6,202	6,859	7,662

RURAL HOUSING INSURANCE FUND DIRECT LOAN FINANCING ACCOUNT

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12-4215-2-3-371	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct loans			21
10.00 Total obligations			21
Budgetary resources available for obligation:			
22.00 New financing authority (gross)			21
23.95 New obligations			-21
New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)			21
Change in unpaid obligations:			
73.10 New obligations			21
73.20 Total financing disbursements (gross)			-3

74.47	Unpaid obligations, end of year: Obligated balance:			
	Authority to borrow		18	
87.00	Total financing disbursements (gross)		3	

Net financing authority and financing disbursements:				
89.00	Financing authority		21	
90.00	Financing disbursements		3	

Status of Direct Loans (in millions of dollars)

Identification code 12-4215-2-3-371	1996 actual	1997 est.	1998 est.
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans		21
1150	Total direct loan obligations		21
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year		
1231	Disbursements: Direct loan disbursements		3
1251	Repayments: Repayments and prepayments		
1290	Outstanding, end of year		3

This account reflects the additional principal amount of section 515 rural rental housing loans that can be obligated under the legislative proposal to institute a balloon payment requirement in year 30, for what was previously a 50 year loan program. The debt service requirement will remain the same as if the loan had a 50 year term, until the balloon payment in year 30.

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 12-4215-2-3-371	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross			3
1405	Allowance for subsidy cost (-)			
1499	Net present value of assets related to direct loans			3
1999	Total assets			3
LIABILITIES:				
2103	Federal liabilities: Debt			3
2999	Total liabilities			3
4999	Total liabilities and net position			3

RURAL HOUSING INSURANCE FUND GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4216-0-3-371	1996 actual	1997 est.	1998 est.	
Obligations by program activity:				
00.01	Default claims	3	13	21
00.02	Subsidy reestimate paid to receipt account	5		
10.00	Total obligations	8	13	21

Identification code 12-4216-0-3-371	1996 actual	1997 est.	1998 est.	
Budgetary resources available for obligation:				
21.90	Unobligated balance available, start of year: Fund balance	52	65	85
22.00	New financing authority (gross)	21	33	39
23.90	Total budgetary resources available for obligation	73	98	124
23.95	New obligations	-8	-13	-21
24.90	Unobligated balance available, end of year: Fund balance	65	85	102

New financing authority (gross), detail:

	1996 actual	1997 est.	1998 est.	
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash)	20	31	39
68.10	Receivables from program account	1	2	
68.90	Spending authority from offsetting collections (total)	21	33	39
70.00	Total new financing authority (gross)	21	33	39

Change in unpaid obligations:

	1996 actual	1997 est.	1998 est.	
72.95	Unpaid obligations, start of year: Receivables from program account		1	3
73.10	New obligations	8	13	21
73.20	Total financing disbursements (gross)	-8	-13	-21
74.95	Unpaid obligations, end of year: Receivables from program account		1	3
87.00	Total financing disbursements (gross)	8	13	21

Offsets:

	1996 actual	1997 est.	1998 est.	
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal sources	-3	-5	-7
88.25	Interest on uninvested funds	-4	-5	-6
88.40	Non-Federal sources: guarantee fees	-13	-21	-26
88.90	Total, offsetting collections (cash)	-20	-31	-39
88.95	Change in receivables from program accounts	-1	-2	

Net financing authority and financing disbursements:

	1996 actual	1997 est.	1998 est.	
89.00	Financing authority			
90.00	Financing disbursements	-12	-18	-18

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4216-0-3-371	1996 actual	1997 est.	1998 est.	
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders	1,713	2,713	3,000
2150	Total guaranteed loan commitments	1,713	2,713	3,000
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	2,085	3,503	5,682
2231	Disbursements of new guaranteed loans	1,496	2,319	2,874
2251	Repayments and prepayments	-74	-126	-203
2263	Adjustments: Terminations for default that result in claim payments	-4	-14	-23
2290	Outstanding, end of year	3,503	5,682	8,330
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	3,153	5,114	7,497

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	1995 actual	1996 actual	1997 est.	1998 est.	
ASSETS:					
Federal assets:					
1101	Fund balances with Treasury	52	64	82	100
1106	Investments in US securities: Receivables, net		1	3	2
1999	Total assets	52	65	85	102

Credit accounts—Continued**RURAL HOUSING INSURANCE FUND GUARANTEED LOAN FINANCING ACCOUNT—Continued****Balance Sheet (in millions of dollars)—Continued**

Identification code 12-4216-0-3-371	1995 actual	1996 actual	1997 est.	1998 est.
LIABILITIES:				
2204 Non-Federal liabilities: Liabilities for loan guarantees	52	65	85	102
2999 Total liabilities	52	65	85	102
4999 Total liabilities and net position	52	65	85	102

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	1996 actual	1997 est.	1998 est.
Budgetary resources available for obligation:			
22.00 New financing authority (gross)			1
24.90 Unobligated balance available, end of year: Fund balance			1
New financing authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)			1
Offsets:			
Against gross financing authority and financing disbursements:			
88.40 Offsetting collections (cash) from: Non-Federal sources: guarantee fees			-1
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements			-1

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4216-2-3-371	1996 actual	1997 est.	1998 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			70
2251 Repayments and prepayments			
2290 Outstanding, end of year			70
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year			63

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	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury				1
1405 Net value of assets related to post-1991 direct loans receivable: Allowance for subsidy cost (-)	-1,962	-2,202	-2,405	-2,612
1999 Total assets	-1,962	-2,202	-2,405	-2,611
LIABILITIES:				
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	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Capital investment:			
00.02 Advances on behalf of borrowers	47	110	100
00.03 Purchase of loans from investors			1
00.04 Purchases of certificates of beneficial ownership	8		
00.05 Collateral acquired by default	2	4	3
00.06 Judgements	1	2	2
00.07 Unclassified recoverable costs	3		
00.91 Total capital investment	61	116	106
Operating expenses:			
01.02 Interest on certificates of beneficial ownership	1	1	1
01.03 Interest on FFB borrowings	2,482	1,891	1,274
01.05 Interest on Treasury borrowings	1		
01.06 Interest credits on loans sold to investors	3	3	2
01.07 Interest subsidy obligated for guaranteed loans	1		
01.08 Undistributed charges	3		
01.91 Total operating expenses	2,491	1,895	1,277
10.00 Total obligations	2,552	2,011	1,383
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	3,006	2,349	1,498
22.70 Balance of authority to borrow withdrawn	-454	-339	-115
23.90 Total budgetary resources available for obligation	2,552	2,011	1,383
23.95 New obligations	-2,552	-2,011	-1,383
New budget authority (gross), detail:			
60.05 Appropriation (indefinite)	3,520	5,200	3,240
60.47 Portion applied to debt reduction	-514	-2,851	-1,742
63.00 Appropriation (total)	3,006	2,349	1,498
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	2,621	2,425	2,288
68.47 Portion applied to debt reduction	-2,621	-2,425	-2,288
68.90 Spending authority from offsetting collections (total)			
70.00 Total new budget authority (gross)	3,006	2,349	1,498
Change in unpaid obligations:			
Unpaid obligations, start of year:			
Obligated balance:			
72.47 Authority to borrow	1,054	594	255
72.90 Fund balance	95	418	465
72.99 Total unpaid obligations, start of year	1,149	1,012	720
73.10 New obligations	2,552	2,011	1,383
73.20 Total outlays (gross)	-2,683	-2,303	-1,557
73.40 Adjustments in expired accounts	-6		
Unpaid obligations, end of year:			
Obligated balance:			
74.47 Authority to borrow	594	255	140
74.90 Fund balance	418	465	406
74.99 Total unpaid obligations, end of year	1,012	720	546

Outlays (gross), detail:				
86.97	Outlays from new permanent authority	1,984	1,776	1,262
86.98	Outlays from permanent balances	699	527	295
87.00	Total outlays (gross)	2,683	2,303	1,557
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Non-Federal sources:				
88.40	Repayments of loans and advances	-1,310	-1,208	-1,158
88.40	Proceeds from sale of acquired property	-66	-55	-54
88.40	Payments on judgments	-6	-6	-6
88.40	Interest payments from borrowers	-1,115	-1,033	-954
88.40	Recapture of subsidies	-109	-115	-108
88.40	Fees and other revenue	-5	-5	-5
88.40	Occupancy surcharges collected	-3	-3	-3
88.40	Undistributed receipts	-7		
88.90	Total, offsetting collections (cash)	-2,621	-2,425	-2,288
Net budget authority and outlays:				
89.00	Budget authority	385	-76	-790
90.00	Outlays	62	-122	-731

Status of Direct Loans (in millions of dollars)

Identification code 12-4141-0-3-371				
		1996 actual	1997 est.	1998 est.
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	23,675	22,185	20,876
Disbursements:				
1231	Direct loan disbursements	2	1	
1232	Purchase of loans assets from the public	1		1
1251	Repayments: Repayments and prepayments	-1,298	-1,208	-1,158
1261	Adjustments: Capitalized interest	38	35	31
Write-offs for default:				
1263	Direct loans	-103	-97	-91
1264	Other adjustments, net	-130	-40	-41
1290	Outstanding, end of year	22,185	20,876	19,618

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4141-0-3-371				
		1996 actual	1997 est.	1998 est.
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	36	32	30
2251	Repayments and prepayments	-2	-2	-2
2264	Adjustments: Other adjustments, net	-2		-1
2290	Outstanding, end of year	32	30	27
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	29	27	25

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					
		1995 actual	1996 actual	1997 est.	1998 est.
0101	Revenue	1,245	2,484	2,039	1,882
0102	Expense	-2,975	-2,670	-2,080	-1,468
0109	Net income or loss (-)	-1,730	-186	-41	414

Balance Sheet (in millions of dollars)

Identification code 12-4141-0-3-371					
		1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:					
Federal assets:					
1101	Fund balances with Treasury	95	418	465	406
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	23,675	22,185	20,876	19,618
1602	Interest receivable	223	203	195	174
1603	Allowance for estimated uncollectible loans and interest (-)	-9,891	-8,621	-8,114	-7,622
1604	Direct loans and interest receivable, net	14,007	13,767	12,957	12,170
1606	Foreclosed property	80	65	64	59
1699	Value of assets related to direct loans	14,087	13,832	13,021	12,229
1701	Guaranteed loans purchased from holders	1			
1703	Allowance for estimated uncollectible loans and interest (-)	-1			
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	2			
1901	Other assets	9,024	5,693	895	
1999	Total assets	23,208	19,943	14,381	12,635
LIABILITIES:					
Federal liabilities:					
2101	Accounts payable	1	1	1	1
2102	Interest payable	1,111	979	693	519
2103	Debt	21,940	18,805	13,530	9,500
2104	Resources payable to Treasury				2,460
Non-Federal liabilities:					
2201	Accounts payable	10	11	10	9
2202	Interest payable	1	1	1	1
2203	Debt	19	11	11	10
2207	Other	126	135	135	135
2999	Total liabilities	23,208	19,943	14,381	12,635
4999	Total liabilities and net position	23,208	19,943	14,381	12,635

Object Classification (in millions of dollars)

Identification code 12-4141-0-3-371				
		1996 actual	1997 est.	1998 est.
25.2	Other services	3		
33.0	Investments and loans	61	116	106
41.0	Grants, subsidies, and contributions	3	3	2
43.0	Interest and dividends	2,485	1,892	1,275
99.9	Total obligations	2,552	2,011	1,383

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, as amended; 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 cooperative agreements; **[\$25,680,000] \$27,482,000**: Provided, That this appropriation shall be available for employment pursuant to the second sentence of 706(a) of the Organic Act of 1944, 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, 1997.)

General and special funds—Continued

SALARIES AND EXPENSES—Continued

Program and Financing (in millions of dollars)

Identification code 12-1903-0-1-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct program	8	25	27
01.01 Reimbursable program	20	1	4
10.00 Total obligations	28	26	31
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	29	26	31
22.30 Unobligated balance expiring	-1		
23.90 Total budgetary resources available for obligation	28	26	31
23.95 New obligations	-28	-26	-31
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	9	25	27
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	20	1	4
70.00 Total new budget authority (gross)	29	26	31
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance: Fund balance		8	9
73.10 New obligations	28	26	31
73.20 Total outlays (gross)	-20	-25	-29
74.90 Unpaid obligations, end of year: Obligated balance: Fund balance	8	9	11
Outlays (gross), detail:			
86.90 Outlays from new current authority	1	18	19
86.93 Outlays from current balances		6	7
86.97 Outlays from new permanent authority	19	1	3
87.00 Total outlays (gross)	20	25	29
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-20	-1	-4
Net budget authority and outlays:			
89.00 Budget authority	9	25	27
90.00 Outlays	1	24	25

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.

Object Classification (in millions of dollars)

Identification code 12-1903-0-1-452	1996 actual	1997 est.	1998 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	4	13	11
11.3 Other than full-time permanent		1	1
11.5 Other personnel compensation		1	1
11.9 Total personnel compensation	4	15	13
12.1 Civilian personnel benefits	1	4	3
21.0 Travel and transportation of persons		1	3
23.2 Rental payments to others		1	1
23.3 Communications, utilities, and miscellaneous charges		1	
25.2 Other services	2	3	6
99.0 Subtotal, direct obligations	7	25	26
99.0 Reimbursable obligations	20	1	3
99.5 Below reporting threshold	1		2
99.9 Total obligations	28	26	31

Personnel Summary

Identification code 12-1903-0-1-452	1996 actual	1997 est.	1998 est.
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment	99	328	296
1005 Full-time equivalent of overtime and holiday hours		3	3
Reimbursable:			
Total compensable workyears:			
2001 Full-time equivalent employment	232	8	38
2005 Full-time equivalent of overtime and holiday hours	3		

[RURAL BUSINESS-COOPERATIVE ASSISTANCE PROGRAM]

[(INCLUDING TRANSFERS OF FUNDS)]

[For the cost of direct loans, loan guarantees, and grants, as authorized by 7 U.S.C. 1926, 1928, and 1932, except for 381E, 381H, 381N of the Consolidated Farm and Rural Development Act, \$51,400,000, to remain available until expended, for direct loans and loan guarantees for business and industry assistance, rural business grants, rural cooperative development grants, and rural business opportunity grants of the Rural Business-Cooperative Service: *Provided*, That the cost of direct loans and loan guarantees shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That \$500,000 shall be available for grants to qualified nonprofit organizations as authorized under section 310B(c)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932): *Provided further*, That the amounts appropriated shall be transferred to loan program and grant accounts as determined by the Secretary: *Provided further*, That, of the total amount appropriated, not to exceed \$3,000,000 shall be available for cooperative development: *Provided further*, That, of the total amount appropriated, not to exceed \$148,000 shall be available for the cost of direct loans, loan guarantees, and grants to be made available for business and industry loans for empowerment zones and enterprise communities as authorized by Public Law 103-66 and rural development loans for empowerment zones and enterprise communities as authorized by title XIII of the Omnibus Budget Reconciliation Act of 1993: *Provided further*, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1997, they remain available for other authorized purposes under this head.] (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-1905-0-1-452	1996 actual	1997 est.	1998 est.
New budget authority (gross), detail:			
40.00 Appropriation		51	
41.00 Transferred to other accounts		-51	
43.00 Appropriation (total)			
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

In 1997, funding for direct and guaranteed business and industry loans, rural business enterprise grants, rural cooperative development grants, and rural business opportunity grants was provided under the Rural Business-Cooperative Assistance Program and transferred to the Rural Business and Industry Loans Program account, Rural Business Enterprise Grants account, Rural Cooperative Development Grants account, and Rural Business Opportunity Grants account for administration. In 1998, funding for these programs, with the exception of the rural cooperative development grants, is requested to be appropriated to the Rural Community Advancement Program account. Funding for the rural cooperative development grants is requested to be appropriated to the Rural Cooperative Development Grants account.

SALARIES AND EXPENSES

Program and Financing (in millions of dollars)

Identification code 12-3400-0-1-452	1996 actual	1997 est.	1998 est.
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance:			
Fund balance	17	7	3
73.20 Total outlays (gross)	-10	-4	-3
74.90 Unpaid obligations, end of year: Obligated balance:			
Fund balance	7	3	
Outlays (gross), detail:			
86.98 Outlays from permanent balances	10	4	3
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	10	4	3

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, as amended (7 U.S.C. 1932), \$3,000,000, of which up to \$1,300,000 may be available for cooperative agreements for appropriate technology transfer for rural areas program.

Program and Financing (in millions of dollars)

Identification code 12-1900-0-1-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Rural cooperative development grants	1	2	2
00.02 Appropriate technology program	1	1	1
10.00 Total obligations (object class 41.0)	2	3	3
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	2	3	3
23.95 New obligations	-2	-3	-3
New budget authority (gross), detail:			
40.00 Appropriation	2		3
42.00 Transferred from other accounts		3	
43.00 Appropriation (total)	2	3	3
70.00 Total new budget authority (gross)	2	3	3
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	2	2	2
73.10 New obligations	2	3	3
73.20 Total outlays (gross)	-2	-3	-3
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	2	2	2
Outlays (gross), detail:			
86.90 Outlays from new current authority	1	1	1
86.93 Outlays from current balances	1	2	2
87.00 Total outlays (gross)	2	3	3
Net budget authority and outlays:			
89.00 Budget authority	2	3	3
90.00 Outlays	2	3	3

Grants for rural technology and cooperative development were authorized under section 310B(f) of the Consolidated Farm and Rural Development Act and were repealed by Public Law 104-127, April 4, 1996. These grants were made available in 1996. 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.

LOCAL TECHNICAL ASSISTANCE AND PLANNING GRANTS

Program and Financing (in millions of dollars)

Identification code 12-1901-0-1-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
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:			
42.00 Transferred from other accounts		1	
		1	
Change in unpaid obligations:			
73.10 New obligations		1	
Net budget authority and outlays:			
89.00 Budget authority		1	
90.00 Outlays			

In 1996, no funding was provided for local technical assistance and planning grants. The Federal Agriculture Improvement and Reform Act of 1996, Public Law 104-127, repealed the grant program and replaced it with the rural business opportunity grant program. This account reflects the funding for a rural business opportunity grant program since no local technical assistance and planning grants were ever made.

This grant program, authorized through section 306(a)(11) of the Consolidated Farm and Rural Development Act, as amended, is designed to assist in the economic development of rural areas by providing technical assistance for business development and economic development planning. Grant funds may be used to identify and analyze business opportunities that would use local economic and human resources; provide technical assistance to existing or prospective rural entrepreneurs; establish business support centers and otherwise assist in the creation of new rural businesses; and, to conduct regional, community and local economic development planning and coordination, and leadership development.

These grants are designed to stimulate economic development and rural employment while challenging State, local, and private sources to invest in rural economic development activities thus allowing program grant funds to reach a broader range of rural economic development efforts.

In 1998, the rural business opportunity grant program is included in the Rural Community Advancement Program. The appropriation request for the Rural Community Advancement Program also requests that all balances be transferred from this account to the Rural Community Advancement Program account.

General and Special Funds—Continued

RURAL BUSINESS ENTERPRISE GRANTS

Program and Financing (in millions of dollars)

Identification code 12-2065-0-1-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	45	41	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	45	41	
23.95 New obligations	-45	-41	
New budget authority (gross), detail:			
40.00 Appropriation	45		
42.00 Transferred from other accounts		41	
43.00 Appropriation (total)	45	41	
70.00 Total new budget authority (gross)	45	41	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	70	78	74
73.10 New obligations	45	41	
73.20 Total outlays (gross)	-37	-45	
73.31 Obligated balance transferred to other accounts			-74
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	78	74	
Outlays (gross), detail:			
86.90 Outlays from new current authority	5	5	
86.93 Outlays from current balances	32	40	
87.00 Total outlays (gross)	37	45	
Net budget authority and outlays:			
89.00 Budget authority	45	41	
90.00 Outlays	37	45	

This grant program is 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 private non-profit 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 revolving loan funds.

In 1998, funding is requested to be appropriated for the rural business enterprise grants to the Rural Community Advancement Program and all balances be transferred from this account to the Rural Community Advancement Program account.

RURAL ECONOMIC DEVELOPMENT GRANTS

Program and Financing (in millions of dollars)

Identification code 12-3105-0-1-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations		20	11
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance		45	45
22.00 New budget authority (gross)	45	20	11
23.90 Total budgetary resources available for obligation	45	65	56
23.95 New obligations		-20	-11
24.40 Unobligated balance available, end of year:			
Uninvested balance	45	45	45
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	45	2	8
68.10 Change in orders on hand from Federal sources		18	3

68.90	Spending authority from offsetting collections (total)	45	20	11
70.00	Total new budget authority (gross)	45	20	11
Change in unpaid obligations:				
72.95	Unpaid obligations, start of year: Orders on hand from Federal sources			18
73.10	New obligations		20	11
73.20	Total outlays (gross)		-2	-8
74.95	Unpaid obligations, end of year: Orders on hand from Federal sources		18	21
Outlays (gross), detail:				
86.97	Outlays from new permanent authority		2	8
Offsets:				
Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-45	-2	-8
88.95	Change in orders on hand from Federal sources		-18	-3
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	-45		

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. In 1998, funding in this account will be used for both grants and direct loans. The budget authority necessary to support the loans will be transferred to the Rural Economic Development Loans Program account.

Object Classification (in millions of dollars)

Identification code 12-3105-0-1-452	1996 actual	1997 est.	1998 est.
41.0	Direct obligations: Grants, subsidies, and contributions		3
99.0	Reimbursable obligations: Subtotal, reimbursable obligations	2	8
99.9	Total obligations	20	11

Credit accounts:

RURAL BUSINESS AND INDUSTRY LOANS PROGRAM ACCOUNT

Unavailable Collections (in millions of dollars)

Identification code 12-1902-0-1-452	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99	Balance, start of year		2
Receipts:			
02.01	Downward reestimates and negative subsidies	2	
04.00	Total: Balances and collections	2	2
07.99	Total balance, end of year	2	2

Program and Financing (in millions of dollars)

Identification code 12-1902-0-1-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.02	Guaranteed loan subsidy	6	6
00.09	Administrative expenses	15	
10.00	Total obligations	21	6
Budgetary resources available for obligation:			
22.00	New budget authority (gross)	21	6
22.30	Unobligated balance expiring	-1	
23.90	Total budgetary resources available for obligation	20	6
23.95	New obligations	-21	-6

New budget authority (gross), detail:			
40.00	Appropriation	21	.....
42.00	Transferred from other accounts	6	.....
43.00	Appropriation (total)	21	6
70.00	Total new budget authority (gross)	21	6

Change in unpaid obligations:			
73.10	New obligations	21	6
73.20	Total outlays (gross)	-20	-6

Outlays (gross), detail:			
86.90	Outlays from new current authority	20	6

Net budget authority and outlays:			
89.00	Budget authority	21	6
90.00	Outlays	20	6

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

Identification code 12-1902-0-1-452	1996 actual	1997 est.	1998 est.
Direct loan levels supportable by subsidy budget authority:			
1150	Direct loan levels	50	.....
1159	Total direct loan levels	50	.....
Direct loan subsidy (in percent):			
1320	Subsidy rate	0.00	0.51
1329	Weighted average subsidy rate	0.00	0.51
Guaranteed loan levels supportable by subsidy budget authority:			
2150	Loan guarantee levels	638	688
2159	Total loan guarantee levels	638	688
Guaranteed loan subsidy (in percent):			
2320	Subsidy rate	0.00	0.93
2329	Weighted average subsidy rate	0.00	0.93
Guaranteed loan subsidy budget authority:			
2330	Subsidy budget authority	6	6
2339	Total subsidy budget authority	6	6
Guaranteed loan subsidy outlays:			
2340	Subsidy outlays	5	6
2349	Total subsidy outlays	5	6
Administrative expense data:			
3510	Budget authority	15	.....
3590	Outlays	15	.....

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.

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, 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.

In 1998 funding for the direct and guaranteed business and industry loan programs is requested to be appropriated to the Rural Community Advancement Program. Funding for salaries and expenses associated with this program is requested to be appropriated to the Rural Business-Cooperative Service Salaries and Expenses account.

Object Classification (in millions of dollars)

Identification code 12-1902-0-1-452	1996 actual	1997 est.	1998 est.
25.3	Purchases of goods and services from Government accounts	6	6
41.0	Grants, subsidies, and contributions	15

99.9	Total obligations	21	6
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RURAL BUSINESS AND INDUSTRY DIRECT LOANS FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4223-0-3-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01	Direct loans	50	50
00.03	Interest on Treasury borrowing .....	.....	1
10.00	Total obligations	50	51
Budgetary resources available for obligation:			
22.00	New financing authority (gross)	50	51
23.95	New obligations	-50	-51
New financing authority (gross), detail:			
67.15	Authority to borrow (indefinite)	50	51
Change in unpaid obligations:			
72.90	Unpaid obligations, start of year: Obligated balance: Obligated balance .....	.....	38
73.10	New obligations	50	51
73.20	Total financing disbursements (gross)	-12	-33
74.90	Unpaid obligations, end of year: Obligated balance: Obligated balance	38	55
87.00	Total financing disbursements (gross)	12	33
Net financing authority and financing disbursements:			
89.00	Financing authority	50	51
90.00	Financing disbursements	12	33

Status of Direct Loans (in millions of dollars)

Identification code 12-4223-0-3-452	1996 actual	1997 est.	1998 est.
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans	50	50
1150	Total direct loan obligations	50	50
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year .....	.....	12
1231	Disbursements: Direct loan disbursements	12	33
1251	Repayments: Repayments and prepayments .....	.....	.....
1290	Outstanding, end of year	12	45

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.

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	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Net value of assets related to post-1991 direct loans receivable:				
1401	Direct loans receivable, gross .....	.....	12	45
1402	Interest receivable .....	.....	.....	1
1405	Allowance for subsidy cost (-) .....	.....	-2	-8
1499	Net present value of assets related to direct loans .....	.....	10	38
1999	Total assets .....	.....	10	38
LIABILITIES:				
2104	Federal liabilities: Resources payable to Treasury .....	.....	10	38

Credit accounts—Continued

**RURAL BUSINESS AND INDUSTRY DIRECT LOANS FINANCING
ACCOUNT—Continued**

Balance Sheet (in millions of dollars)—Continued

Identification code 12-4223-0-3-452	1995 actual	1996 actual	1997 est.	1998 est.
2999 Total liabilities			10	38
4999 Total liabilities and net position			10	38

**RURAL BUSINESS AND INDUSTRY GUARANTEED LOANS FINANCING
ACCOUNT**

Program and Financing (in millions of dollars)

Identification code 12-4227-0-3-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Default claims	1	1	2
00.03 Investment in secondary market	2	8	15
00.06 Subsidy reestimate paid to receipt account	1		
10.00 Total obligations	4	9	17
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance		28	33
22.00 New financing authority (gross)	12	14	13
22.22 Unobligated balance transferred from other accounts	20		
23.90 Total budgetary resources available for obligation	32	42	46
23.95 New obligations	-4	-9	-17
24.90 Unobligated balance available, end of year: Fund balance	28	33	29
New financing authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	12	14	13
Change in unpaid obligations:			
73.10 New obligations	4	9	17
73.20 Total financing disbursements (gross)	-4	-9	-17
87.00 Total financing disbursements (gross)	4	9	17
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-5	-6	-7
88.25 Interest on uninvested funds	-2	3	3
88.40 Non-Federal sources	-5	-11	-9
88.90 Total, offsetting collections (cash)	-12	-14	-13
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements	-9	-5	4

Status of Guaranteed Loans (in millions of dollars)

Identification code 12-4227-0-3-452	1996 actual	1997 est.	1998 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	638	688	610
2150 Total guaranteed loan commitments	638	688	610
2199 Guaranteed amount of guaranteed loan commitments	511	551	488
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	433	723	1,185
2231 Disbursements of new guaranteed loans	339	543	609
2251 Repayments and prepayments	-48	-80	-131
Adjustments:			
2263 Terminations for default that result in claim payments	-1	-1	-2
2264 Other adjustments, net			
2290 Outstanding, end of year	723	1,185	1,661

Memorandum:

2299 Guaranteed amount of guaranteed loans outstanding, end of year	579	949	1,330
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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 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	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	20	28	33	29
1999 Total assets	20	28	33	29
LIABILITIES:				
2204 Non-Federal liabilities: Liabilities for loan guarantees	20	28	33	29
2999 Total liabilities	20	28	33	29
4999 Total liabilities and net position	20	28	33	29

**RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT
(INCLUDING TRANSFERS OF FUNDS)**

For the cost of direct loans, **[\$17,270,000] \$16,888,000**, 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 **[\$37,544,000] \$35,000,000**: *Provided further*, That through June 30, **[1997] 1998**, of the total amount appropriated **[\$3,345,000] \$3,618,750** 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 shall be transferred to and merged with the appropriation for "Salaries and Expenses". (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.)

Program and Financing (in millions of dollars)

Identification code 12-2069-0-1-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct loan subsidy	22	17	17
00.06 Reestimates of direct loan subsidy	2		
00.09 Administrative expense	2		3
10.00 Total obligations	26	17	20
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	26	17	20
23.95 New obligations	-26	-17	-20
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	24	17	20
Permanent:			
60.05 Appropriation (indefinite)	2		
70.00 Total new budget authority (gross)	26	17	20
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	84	74	55
73.10 New obligations	26	17	20

73.20	Total outlays (gross)	-35	-37	-28
73.40	Adjustments in expired accounts	-1		
74.40	Unpaid obligations, end of year: Obligated balance:			
	Appropriation	74	55	47
Outlays (gross), detail:				
86.90	Outlays from new current authority	2	1	4
86.93	Outlays from current balances	31	36	24
86.97	Outlays from new permanent authority	2		
87.00	Total outlays (gross)	35	37	28
Net budget authority and outlays:				
89.00	Budget authority	26	17	20
90.00	Outlays	35	37	28

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

Identification code 12-2069-0-1-452	1996 actual	1997 est.	1998 est.	
Direct loan levels supportable by subsidy budget authority:				
1150	Direct loan levels	38	37	35
1159	Total direct loan levels	38	37	35
Direct loan subsidy (in percent):				
1320	Subsidy rate	59.50	46.51	48.25
1329	Weighted average subsidy rate	59.50	46.51	48.25
Direct loan subsidy budget authority:				
1330	Subsidy budget authority	22	17	17
1339	Total subsidy budget authority	22	17	17
Direct loan subsidy outlays:				
1340	Subsidy outlays	34	37	25
1349	Total subsidy outlays	34	37	25
Administrative expense data:				
3510	Budget authority	1		3
3590	Outlays	1		3

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.

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	1996 actual	1997 est.	1998 est.	
25.3	Purchases of goods and services from Government accounts	1		3
41.0	Grants, subsidies, and contributions	25	17	17
99.9	Total obligations	26	17	20

RURAL DEVELOPMENT LOAN FUND DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4219-0-3-452	1996 actual	1997 est.	1998 est.	
Obligations by program activity:				
00.01	Direct loans	38	37	35
00.03	Interest on Treasury borrowing	5	5	7
10.00	Total obligations	43	42	42
Budgetary resources available for obligation:				
22.00	New financing authority (gross)	43	43	42
23.95	New obligations	-43	-42	-42

New financing authority (gross), detail:				
67.15	Authority to borrow (indefinite)	17	24	22
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash)	36	38	28
68.10	Receivables from program account	-10	-19	-8
68.90	Spending authority from offsetting collections (total)	26	19	20
70.00	Total new financing authority (gross)	43	43	42

Change in unpaid obligations:

Unpaid obligations, start of year:				
72.90	Obligated balance: Obligated balance	69	59	48
72.95	Receivables from program account	84	74	55
72.99	Total unpaid obligations, start of year	153	133	103
73.10	New obligations	43	42	42
73.20	Total financing disbursements (gross)	-62	-72	-53
73.40	Adjustments in expired accounts	-1		
Unpaid obligations, end of year:				
74.90	Obligated balance: Obligated balance	59	48	45
74.95	Receivables from program account	74	55	47
74.99	Total unpaid obligations, end of year	133	103	92
87.00	Total financing disbursements (gross)	62	72	53

Offsets:

Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Payments from program account	-34	-37	-25
88.25	Interest on uninvested funds	-2		
88.40	Non-Federal sources		-1	-3
88.90	Total, offsetting collections (cash)	-36	-38	-28
88.95	Change in receivables from program accounts	10	19	8

Net financing authority and financing disbursements:

89.00	Financing authority	17	24	22
90.00	Financing disbursements	26	34	25

Status of Direct Loans (in millions of dollars)

Identification code 12-4219-0-3-452	1996 actual	1997 est.	1998 est.	
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans	38	37	35
1150	Total direct loan obligations	38	37	35
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	74	131	197
1231	Disbursements: Direct loan disbursements	57	67	46
1251	Repayments: Repayments and prepayments		-1	-2
1290	Outstanding, end of year	131	197	241

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.

Balance Sheet (in millions of dollars)

Identification code 12-4219-0-3-452	1995 actual	1996 actual	1997 est.	1998 est.	
ASSETS:					
Federal assets:					
1101	Fund balances with Treasury	26	17	8	7
Investments in US securities:					
1106	Receivables, net	84	74	55	47
Net value of assets related to post-1991 direct loans receivable:					
1401	Direct loans receivable, gross	74	131	197	241
1402	Interest receivable		1	1	1
1405	Allowance for subsidy cost (-)	-39	-71	-103	-122

Credit accounts—Continued**RURAL DEVELOPMENT LOAN FUND DIRECT LOAN FINANCING
ACCOUNT—Continued****Balance Sheet (in millions of dollars)—Continued**

Identification code 12-4219-0-3-452	1995 actual	1996 actual	1997 est.	1998 est.
1499 Net present value of assets related to direct loans	35	61	95	120
1999 Total assets	145	152	158	174
LIABILITIES:				
Federal liabilities:				
2104 Resources payable to Treasury	61	78	103	127
2105 Other	84	74	55	47
2999 Total liabilities	145	152	158	174
4999 Total liabilities and net position	145	152	158	174

RURAL DEVELOPMENT LOAN FUND LIQUIDATING ACCOUNT**Unavailable Collections (in millions of dollars)**

Identification code 12-4233-0-3-452	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year	7	7	6
03.00 Offsetting Collections	3	2	1
04.00 Total: Balances and collections	10	9	7
Appropriation:			
05.01 Unobligated balance returned to receipts	-3	-3	-2
07.99 Total balance, end of year	7	6	5

Program and Financing (in millions of dollars)

Identification code 12-4233-0-3-452	1996 actual	1997 est.	1998 est.
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	6	4	4
68.26 Spending authority from offsetting collections (balances)	3	3	2
68.27 Capital transfer to general fund	-6	-5	-5
68.45 Portion not available for obligation (limitation on obligations)	-3	-2	-1
68.90 Spending authority from offsetting collections (total)			
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance:			
Fund balance	10	6	3
73.20 Total outlays (gross)	-5	-3	-1
74.90 Unpaid obligations, end of year: Obligated balance:			
Fund balance	6	3	2
Outlays (gross), detail:			
86.98 Outlays from permanent balances	5	3	1
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-6	-4	-4
Net budget authority and outlays:			
89.00 Budget authority	-6	-4	-4
90.00 Outlays	-1	-1	-3

Status of Direct Loans (in millions of dollars)

Identification code 12-4233-0-3-452	1996 actual	1997 est.	1998 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	85	84	82
1231 Disbursements: Direct loan disbursements	3	2	1
1251 Repayments: Repayments and prepayments	-4	-4	-3
1290 Outstanding, end of year	84	82	80

¹ Amounts shown include advances on behalf of borrowers.

Loans from the Rural Development Loan Fund are made to intermediary borrowers (i.e., small investment groups), 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.

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	1995 actual	1996 actual	1997 est.	1998 est.
0101 Revenue	1	1	1	1
0102 Expense	-1	6		
0109 Net income or loss (-)		7	1	1

Balance Sheet (in millions of dollars)

Identification code 12-4233-0-3-452	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	14	9	5	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	85	84	82
1603 Allowance for estimated uncollectible loans and interest (-)	-49	-42	-41	-41
1604 Direct loans and interest receivable, net	36	43	43	41
1699 Value of assets related to direct loans	36	43	43	41
1999 Total assets	50	52	48	44
LIABILITIES:				
2104 Federal liabilities: Resources payable to Treasury	50	52	48	44
2999 Total liabilities	50	52	48	44
4999 Total liabilities and net position	50	52	48	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, *as amended*, for the purpose of promoting rural economic development and job creation projects, **[\$12,865,000] \$25,000,000.**

For the cost of direct loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, **[\$2,830,000].** In addition, for administrative expenses necessary to carry out the direct loan program, \$654,000, which shall be transferred to and merged with the appropriation for "Salaries and Expenses."¹ *up to \$5,977,500, to be derived by transfer from interest on the cushion of credit payments, as authorized by section 313 of the Rural Electrification Act of 1936, as amended, to remain available until expended. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.)*

Program and Financing (in millions of dollars)

Identification code 12-3108-0-1-452	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct Loan Subsidy	2	2	6
00.05 Reestimates of direct loan subsidy	1		
00.09 Administrative expenses subj. to limitation	1	1	
10.00 Total obligations	4	3	6

Budgetary resources available for obligation:				
22.00	New budget authority (gross)	5	3	6
22.30	Unobligated balance expiring	-1		
23.90	Total budgetary resources available for obligation	4	3	6
23.95	New obligations	-4	-3	-6

New budget authority (gross), detail:				
Current:				
40.00	Appropriation	4	3	
42.00	Transferred from other accounts			6
43.00	Appropriation (total)	4	3	6
Permanent:				
60.05	Appropriation (indefinite)	1		
70.00	Total new budget authority (gross)	5	3	6

Change in unpaid obligations:				
74.40	Unpaid obligations, start of year: Obligated balance:			
	Appropriation	3	4	3
73.10	New obligations	4	3	6
73.20	Total outlays (gross)	-4	-4	-3
74.40	Unpaid obligations, end of year: Obligated balance:			
	Appropriation	4	3	6

Outlays (gross), detail:				
86.90	Outlays from new current authority	1	1	1
86.93	Outlays from current balances	2	3	2
86.97	Outlays from new permanent authority	1		
87.00	Total outlays (gross)	4	4	3

Net budget authority and outlays:				
89.00	Budget authority	5	3	6
90.00	Outlays	3	4	3

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

Identification code 12-3108-0-1-452	1996 actual	1997 est.	1998 est.	
Direct loan levels supportable by subsidy budget authority:				
1150	Direct loan levels	9	12	25
1159	Total direct loan levels	9	12	25
Direct loan subsidy (in percent):				
1320	Subsidy rate	28.48	22.93	23.91
1329	Weighted average subsidy rate	28.48	22.93	23.91
Direct loan subsidy budget authority:				
1330	Subsidy budget authority	3	3	6
1339	Total subsidy budget authority	3	3	6
Direct loan subsidy outlays:				
1340	Subsidy outlays	3	3	3
1349	Total subsidy outlays	3	3	3
Administrative expense data:				
3510	Budget authority	1	1	
3590	Outlays	1	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, 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.

In 1998, funding for this program will be transferred to this account from the cushion of credit payments program in the Rural Electrification and Telephone Revolving Fund Liquidating Account.

Object Classification (in millions of dollars)

Identification code 12-3108-0-1-452	1996 actual	1997 est.	1998 est.	
25.3	Purchases of goods and services from Government accounts	1	1	
41.0	Grants, subsidies, and contributions	3	2	6
99.9	Total obligations	4	3	6

RURAL ECONOMIC DEVELOPMENT DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4176-0-3-452	1996 actual	1997 est.	1998 est.	
Obligations by program activity:				
00.01	Direct Loans	9	12	25
00.02	Interest Expense	3	3	4
10.00	Total obligations	12	15	29

Budgetary resources available for obligation:				
21.90	Unobligated balance available, start of year: Fund balance		3	3
22.00	New financing authority (gross)	14	15	29
23.90	Total budgetary resources available for obligation	14	18	32
23.95	New obligations	-12	-15	-29
24.90	Unobligated balance available, end of year: Fund balance	3	3	3

New financing authority (gross), detail:				
67.15	Authority to borrow (indefinite)	7	8	17
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash)	6	8	9
68.10	Receivables from program account	1	-1	3
68.90	Spending authority from offsetting collections (total)	7	7	12
70.00	Total new financing authority (gross)	14	15	29

Change in unpaid obligations:				
Unpaid obligations, start of year:				
Obligated balance:				
72.47	Authority to borrow	3	3	
72.90	Unpaid Obligations	6	7	11
72.95	Receivables from program account	3	4	3
72.99	Total unpaid obligations, start of year	12	14	14
73.10	New obligations	12	15	29
73.20	Total financing disbursements (gross)	-10	-16	-18
Unpaid obligations, end of year:				
Obligated balance:				
74.47	Authority to borrow	3		
74.90	Unpaid Obligations	7	11	18
74.95	Receivables from program account	4	3	6
74.99	Total unpaid obligations, end of year	14	14	24
87.00	Total financing disbursements (gross)	10	16	18

Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
88.00	Federal Funds: Program Account	-2	-4	-3
88.25	Interest on uninvested funds	-1		
88.40	Non-Federal sources: Repayment of Principal	-3	-4	-6
88.90	Total, offsetting collections (cash)	-6	-8	-9
88.95	Change in receivables from program accounts	-1	1	-3

Net financing authority and financing disbursements:				
89.00	Financing authority	7	8	17
90.00	Financing disbursements	3	8	9

Status of Direct Loans (in millions of dollars)

Identification code 12-4176-0-3-452	1996 actual	1997 est.	1998 est.	
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans	9	12	25

Credit accounts—Continued**RURAL ECONOMIC DEVELOPMENT DIRECT LOAN FINANCING
ACCOUNT—Continued****Status of Direct Loans (in millions of dollars)—Continued**

Identification code 12-4176-0-3-452	1996 actual	1997 est.	1998 est.
1150 Total direct loan obligations	9	12	25
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	31	35	44
1231 Disbursements: Direct loan disbursements	7	13	14
1251 Repayments: Repayments and prepayments	-3	-4	-6
1290 Outstanding, end of year	35	44	52

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	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	6	8	7	6
Investments in US securities:				
1106 Program Account	3	4	3	6
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	31	35	44	52
1405 Allowance for subsidy cost (-)	-7	-8	-9	-8
1499 Net present value of assets related to direct loans	24	27	35	44
1999 Total assets	33	39	45	56
LIABILITIES:				
Federal liabilities:				
2104 Resources payable to Treasury	30	35	42	50
2105 Other	3	4	3	6
2999 Total liabilities	33	39	45	56
4999 Total liabilities and net position	33	39	45	56

RURAL ECONOMIC DEVELOPMENT LOANS LIQUIDATING ACCOUNT**Program and Financing (in millions of dollars)**

Identification code 12-3104-0-1-271	1996 actual	1997 est.	1998 est.
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	5	7	9
22.00 New budget authority (gross)	2	2	2
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	8	9	11
24.90 Unobligated balance available, end of year: Fund balance	7	9	11
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	2	2	2
.....	2	2	2
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance:			
Fund balance	1	2	4
73.20 Total outlays (gross)	1	2	2
73.45 Adjustments in unexpired accounts	-1		
74.90 Unpaid obligations, end of year: Obligated balance:			
Fund balance	2	4	6
Outlays (gross), detail:			
86.98 Outlays from permanent balances	-1	-2	-2

Offsets:

Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources: Repayment of Principal	-2	-2	-2

Net budget authority and outlays:

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	1996 actual	1997 est.	1998 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	8	7	6
1231 Disbursements: Direct loan disbursements		1	
1251 Repayments: Repayments and prepayments	-1	-2	-2
1290 Outstanding, end of year	7	6	4

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	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets: Fund balances with Treasury				
1101	3	5	7	9
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Direct loans, gross				
1601	8	7	6	4
Other Federal assets: Cash and other monetary assets				
1801	1			
1999 Total assets	11	13	13	13
LIABILITIES:				
Federal liabilities: Resources payable to Treasury				
2104	11	13	13	13
2999 Total liabilities	11	13	13	13
NET POSITION:				
3300 Cumulative results of operations				
3999 Total net position				
4999 Total liabilities and net position	11	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]** \$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, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-4144-0-3-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Administrative expense	1	1	1
00.02 Program activity	7	6	9
10.00 Total obligations	8	7	10
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.40	1		
22.00 New budget authority (gross)	6	7	10
23.90 Total budgetary resources available for obligation	7	7	10
23.95 New obligations	-8	-7	-10
New budget authority (gross), detail:			
40.00 Appropriation	6	7	10

Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation	7	6
73.10	New obligations	8	7
73.20	Total outlays (gross)	-9	-8
74.40	Unpaid obligations, end of year: Obligated balance:		
	Appropriation	6	5
<hr/>			
Outlays (gross), detail:			
86.90	Outlays from new current authority	3	3
86.93	Outlays from current balances	6	5
87.00	Total outlays (gross)	9	8
<hr/>			
Net budget authority and outlays:			
89.00	Budget authority	6	7
90.00	Outlays	9	8

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 1998, the corporation expects to participate in 22 new investment partnerships, invest in 7 new businesses, create 1,700 new jobs, and have 8 products it has supported enter the market.

Object Classification (in millions of dollars)

Identification code 12-4144-0-3-352	1996 actual	1997 est.	1998 est.
11.1 Personnel compensation: Full-time permanent	1	1	1
33.0 Investments and loans	4	4	4
41.0 Grants, subsidies, and contributions	3	2	5
99.9 Total obligations	8	7	10

Personnel Summary

Identification code 12-4144-0-3-352	1996 actual	1997 est.	1998 est.
1001 Total compensable workyears: Full-time equivalent employment	7	11	11

NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 12-4202-0-3-452	1996 actual	1997 est.	1998 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance		20	20
22.00 New budget authority (gross)	20		
23.90 Total budgetary resources available for obligation	20	20	20
24.40 Unobligated balance available, end of year:			
Uninvested balance	20	20	20
<hr/>			
New budget authority (gross), detail:			
60.00 Appropriation	20		
<hr/>			
Net budget authority and outlays:			
89.00 Budget authority	20		
90.00 Outlays			

The Federal Agriculture Improvement Act of 1996 established the National Sheep Industry Improvement Center to 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, as amended (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]** \$150,942,000 to remain available until September 30, 1999, of which **[\$3,231,000]** \$3,327,000 may be transferred from the Export Loan Program account in this Act, and **[\$1,035,000]** \$1,066,000 may be transferred from the Public Law 480 program account in this Act and \$10,000,000 shall be used for carrying out activities authorized under section 1542(d) of the Food, Agriculture, Trade and Conservation Act of 1990, as amended (7 U.S.C. 5622 note): Provided, That no CCC funds shall be used for carrying out these activities: Provided further, That up to \$3,000,000 shall be available in fiscal year 1999 for overseas inflation, subject to documentation by USDA of actual overseas inflation and deflation: Provided further, **[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, 1997.)

Program and Financing (in millions of dollars)

Identification code 12-2900-0-1-352	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Direct program:			
00.01 Strategic Outreach and Market Intelligence	26	28	38
00.02 Market Development and Promotion	60	68	62
00.03 Market Access	14	14	16
00.04 Price Credit and Risk Assistance	6	11	11
00.05 Long-term Market Development	10	10	20
00.91 Total direct program	116	131	147
01.01 Reimbursable program	59	59	39
10.00 Total obligations	175	190	186
<hr/>			
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	5	8	8
22.00 New budget authority (gross)	179	190	186
23.90 Total budgetary resources available for obligation	184	198	194
23.95 New obligations	-175	-190	-186
24.40 Unobligated balance available, end of year:			
Uninvested balance	8	8	8
<hr/>			
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	116	131	147

General and special funds—Continued**FOREIGN AGRICULTURAL SERVICE AND GENERAL SALES MANAGER—
Continued**

(INCLUDING TRANSFERS OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-2900-0-1-352	1996 actual	1997 est.	1998 est.
42.00 Transferred from other accounts	4		
43.00 Appropriation (total)	120	131	147
Permanent:			
68.00 Spending authority from offsetting collections: Off- setting collections (cash)	59	59	39
70.00 Total new budget authority (gross)	179	190	186
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	16	33	43
73.10 New obligations	175	190	186
73.20 Total outlays (gross)	-158	-180	-179
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	33	43	50
Outlays (gross), detail:			
86.90 Outlays from new current authority	78	111	122
86.93 Outlays from current balances	21	10	18
86.97 Outlays from new permanent authority	59	59	39
87.00 Total outlays (gross)	158	180	179
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-59	-59	-39
Net budget authority and outlays:			
89.00 Budget authority	120	131	147
90.00 Outlays	99	121	140

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:

Strategic Outreach and Market Intelligence.—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. Additionally, 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 62 posts located throughout the world covering some 128 countries. Starting in 1998, FAS will compensate for overseas inflation through an advance appropriation, contingent upon the results of actual, rather than estimated overseas inflation (changes in exchange rates) and by making funds appropriated to the account good for 2 rather than one year only. Funds are also provided for computer equipment and support, which were previously funded through CCC.

In 1995, FAS began implementing a comprehensive telecommunications initiative to take advantage of emerging Internet technology. *FAS Online*—FAS's web server on the

Internet (www.fas.usda.gov)—is the most visible part of this initiative. *FAS Online* is important to the FAS outreach effort as it permits the Agency to share large volumes of information with worldwide customers previously not reached through conventional means.

Market Development and Promotion.—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. The largest of FAS's promotional programs are the Foreign Market Development Cooperator Program and the Market Access Program. In addition, FAS sponsors U.S. participation in several major trade shows and a number of single-industry exhibitions each year. FAS has 14 Agricultural Trade Offices (ATO) in operation at key foreign trading centers to assist U.S. exporters, trade groups and state export marketing officials in trade promotion. FAS will consider the benefits—in the form of rental credits—received by private cooperators that use ATO space when allocating direct assistance to cooperators. Cost-share rates for the Cooperator Program also will increase in 1998.

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.

Price/Credit and Risk 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. In 1998, activity will focus on the new Suppliers and Facilities Export Credit programs as well as the PL. 480 Title I private sector initiative.

Long-term Market Development.—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 in emerging markets are aimed at enhancing their food and rural business systems, and expanding U.S. agricultural exports. Funds for the Emerging Markets Program (\$10 million) formerly provided through CCC will be provided directly through the FAS appropriation this year.

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.

Object Classification (in millions of dollars)

Identification code 12-2900-0-1-352	1996 actual	1997 est.	1998 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	37	42	42
11.3 Other than full-time permanent	2	2	2
11.5 Other personnel compensation	1	1	1
11.8 Special personal services payments	2	2	2
11.9 Total personnel compensation	42	47	47
12.1 Civilian personnel benefits	11	12	12
21.0 Travel and transportation of persons	4	4	5
22.0 Transportation of things	1	1	1
23.2 Rental payments to others	8	9	9
23.3 Communications, utilities, and miscellaneous charges	2	2	2
24.0 Printing and reproduction	1	1	1
25.2 Other services	44	52	65
26.0 Supplies and materials	1	1	1
31.0 Equipment	1	1	3
41.0 Grants, subsidies, and contributions	1	1	1
99.0 Subtotal, direct obligations	116	131	147
99.0 Reimbursable obligations	59	59	39
99.9 Total obligations	175	190	186

Personnel Summary

Identification code 12-2900-0-1-352	1996 actual	1997 est.	1998 est.
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment	760	760	760
1005 Full-time equivalent of overtime and holiday hours	2	2	2
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	125	125	125

SCIENTIFIC ACTIVITIES OVERSEAS (FOREIGN CURRENCY PROGRAM)

Program and Financing (in millions of dollars)

Identification code 12-1404-0-1-352	1996 actual	1997 est.	1998 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance		1	1
24.40 Unobligated balance available, end of year:			
Uninvested balance	1	1	1
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	6	5	5
73.20 Total outlays (gross)	-1	-1	-1
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	5	5	5
Outlays (gross), detail:			
86.98 Outlays from permanent balances	1	1	1
Net budget authority and outlays:			
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, as amended (7 U.S.C. 1691, 1701-1715, 1721-1726, 1727-1727f, 1731-1736g), as follows: (1) **[\$226,900,000]** \$112,899,000 for Public Law 480 title I credit, including Food for Progress programs; (2) **[\$13,905,000]** \$10,250,000 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, as amended; (3) \$837,000,000 is hereby appropriated for commodities supplied in connection with dispositions abroad pursuant to title II of said Act; and (4) **[\$29,500,000]** \$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, as amended, and the Food for Progress Act of 1985, as amended, including the cost of modifying credit agreements under said Act, **[\$185,589,000]** \$87,869,000.

In addition, for administrative expenses to carry out the Public Law 480 title I credit program, and the Food for Progress Act of 1985, as amended, to the extent funds appropriated for Public Law 480 are utilized, **[\$1,780,000]** \$1,881,000. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.*)

**PUBLIC LAW 480 GRANTS—TITLES I (OFD), II, AND III
Program and Financing (in millions of dollars)**

Identification code 12-2278-0-1-151	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Ocean freight differential	23	14	10
00.02 Commodities supplied in connection with dispositions abroad	864	837	837
00.03 Commodities supplied in connection with dispositions abroad	53	30	30
10.00 Total obligations (object class 41.0)	940	881	877
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	44	26	26
22.00 New budget authority (gross)	836	881	877
22.10 Resources available from recoveries of prior year obligations	12		
22.22 Unobligated balance transferred from other accounts	72		
23.90 Total budgetary resources available for obligation	964	907	903

PUBLIC LAW 480 GRANTS—TITLES I (OFD), II, AND III—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-2278-0-1-151	1996 actual	1997 est.	1998 est.
23.95 New obligations	-940	-881	-877
24.40 Unobligated balance available, end of year: Uninvested balance	26	26	26
New budget authority (gross), detail:			
40.00 Appropriation	836	881	877
	836	881	877
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance: Appropriation	423	552	337
73.10 New obligations	940	881	877
73.20 Total outlays (gross)	-798	-1,096	-881
73.45 Adjustments in unexpired accounts	-12		
74.40 Unpaid obligations, end of year: Obligated balance: Appropriation	552	337	332
Outlays (gross), detail:			
86.90 Outlays from new current authority	498	553	550
86.93 Outlays from current balances	300	543	331
87.00 Total outlays (gross)	798	1,096	881
Net budget authority and outlays:			
89.00 Budget authority	836	881	877
90.00 Outlays	798	1,096	881

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	1996 actual	1997 est.	1998 est.
Budget Authority	836	881	877
Outlays	798	1,096	881
Rescission proposal:			
Budget Authority		-4	
Outlays		-2	-1
Total:			
Budget Authority	836	877	877
Outlays	798	1,094	880

This account includes the non-credit components of Public Law 480: title I ocean freight differential, title II, and title III.

Credit accounts:

PUBLIC LAW 480 PROGRAM ACCOUNT

Unavailable Collections (in millions of dollars)

Identification code 12-2277-0-1-351	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year		37	37
Receipts:			
02.01 Downward reestimates of subsidies	37		
04.00 Total: Balances and collections	37	37	37
07.99 Total balance, end of year	37	37	37

Program and Financing (in millions of dollars)

Identification code 12-2277-0-1-351	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct loan subsidy	227	186	88
00.09 Administrative expenses	2	2	2
10.00 Total obligations	229	188	90
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year: Uninvested balance	9	7	7
22.00 New budget authority (gross)	238	188	90
22.21 Unobligated balance transferred to other accounts	-12		

23.90 Total budgetary resources available for obligation	235	195	97
23.95 New obligations	-229	-188	-90
24.40 Unobligated balance available, end of year: Uninvested balance	7	7	7

New budget authority (gross), detail:

40.00 Appropriation	238	188	90
	238	188	90

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance: Appropriation	163	106	106
73.10 New obligations	229	188	90
73.20 Total outlays (gross)	-286	-188	-135
74.40 Unpaid obligations, end of year: Obligated balance: Appropriation	106	106	61

Outlays (gross), detail:

86.90 Outlays from new current authority	140	108	52
86.93 Outlays from current balances	146	80	83
87.00 Total outlays (gross)	286	188	135

Net budget authority and outlays:

89.00 Budget authority	238	188	90
90.00 Outlays	286	188	135

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	1996 actual	1997 est.	1998 est.
Budget Authority	238	188	90
Outlays	286	188	135
Rescission proposal:			
Budget Authority		-46	
Outlays		-26	-17
Total:			
Budget Authority	238	142	90
Outlays	286	162	118

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

Identification code 12-2277-0-1-351	1996 actual	1997 est.	1998 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loan levels	291	227	113
1159 Total direct loan levels	291	227	113
Direct loan subsidy (in percent):			
1320 Subsidy rate	81.06	81.79	77.83
1329 Weighted average subsidy rate	81.06	81.79	77.83
Direct loan subsidy budget authority:			
1330 Subsidy budget authority	236	186	88
1339 Total subsidy budget authority	236	186	88
Direct loan subsidy outlays:			
1340 Subsidy outlays	284	186	88
1349 Total subsidy outlays	284	186	88
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. An explanation of credit reform, including a discussion of how subsidies are calculated, is included in the Federal Credit section of the Summary Information chapter.

Object Classification (in millions of dollars)

Identification code 12-2277-0-1-351	1996 actual	1997 est.	1998 est.
25.3 Purchases of goods and services from Government accounts	2	2	2
41.0 Grants, subsidies, and contributions	227	186	88
99.9 Total obligations	229	188	90

PUBLIC LAW 480 DIRECT CREDIT FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4049-0-3-351	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct loans	295	227	113
00.02 Interest on Treasury borrowing	11	16	14
00.03 Reestimate on direct loan subsidy	29		
00.04 Interest reestimate on direct loan subsidy	8		
10.00 Total obligations	343	243	127
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	344	243	127
23.95 New obligations	-343	-243	-127
New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)	98	21	24
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	329	232	183
68.10 Receivables from program account	-77	-2	-45
68.47 Portion applied to debt reduction	-6	-8	-35
68.90 Spending authority from offsetting collections (total)	246	222	103
70.00 Total new financing authority (gross)	344	243	127
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.90 Obligated balance: Obligated balance	50	60	42
72.95 Receivable from program account	185	108	106
72.99 Total unpaid obligations, start of year	235	168	148
73.10 New obligations	343	243	127
73.20 Total financing disbursements (gross)	-410	-263	-200
Unpaid obligations, end of year:			
74.90 Obligated balance: fund balance	60	42	14
74.95 Receivables from program account	108	106	61
74.99 Total unpaid obligations, end of year	168	148	75
87.00 Total financing disbursements (gross)	410	263	200

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Payments from program account	-299	-184	-132
88.00 Interest from Treasury	-8		
88.40 Interest received on loans	-22	-38	-42
88.45 Offsetting governmental collections—Jordan Debt Forgiveness		-10	-9
88.90 Total, offsetting collections (cash)	-329	-232	-183
88.95 Change in receivables from program accounts	77	2	45

Net financing authority and financing disbursements:

89.00 Financing authority	92	13	-11
90.00 Financing disbursements	82	31	17

Status of Direct Loans (in millions of dollars)

Identification code 12-4049-0-3-351	1996 actual	1997 est.	1998 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	291	227	113
1150 Total direct loan obligations	291	227	113
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1,024	1,264	1,474

1231 Disbursements: Direct loan disbursements	240	228	169
1264 Write-offs for default: Other adjustments, net—Jordan		-18	-44
1290 Outstanding, end of year	1,264	1,474	1,599

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	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	50	60	42	14
Investments in US securities:				
1106 Receivables, net	153	137	106	61
Net value of assets related to post-1991 direct loans receivable:				
Direct loans receivable, gross:				
1401 Direct loans receivable, gross	1,024	1,264	1,492	1,643
1401 Direct loans receivable, gross—Jordan			-18	-44
1405 Allowance for subsidy cost (-)	-769	-969	-1,156	-1,246
1499 Net present value of assets related to direct loans	255	295	318	353
1901 Other Federal assets: Other assets				
1999 Total assets	458	492	466	428
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	21	6	6	6
2103 Debt	292	383	404	430
2105 Other	3			
2999 Total liabilities	316	389	410	436
NET POSITION:				
3100 Appropriated capital	142	103	318	318
Cumulative results of operations:				
3300 Cumulative results of operations			-244	-263
3300 Cumulative results of operations—Jordan			-18	-62
3999 Total net position	142	103	56	-7
4999 Total liabilities and net position	458	492	466	429

DEBT REDUCTION—FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-4143-0-3-351	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Payment to Liquidating Account			34
00.02 Interest on debt to Treasury	2	2	4
10.00 Total obligations	2	2	38
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	2	2	38
23.95 New obligations	-2	-2	-38
New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)	1	1	32
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	1	6
70.00 Total new financing authority (gross)	2	2	38
Change in unpaid obligations:			
73.10 New obligations	2	2	38
73.20 Total financing disbursements (gross)	-2	-2	-38
87.00 Total financing disbursements (gross)	2	2	38

Credit accounts—Continued**DEBT REDUCTION—FINANCING ACCOUNT—Continued****Program and Financing (in millions of dollars)—Continued**

Identification code 12-4143-0-3-351	1996 actual	1997 est.	1998 est.
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal collections	-1	-1	-6
Net financing authority and financing disbursements:			
89.00 Financing authority	1	1	32
90.00 Financing disbursements	1	1	32

Status of Direct Loans (in millions of dollars)

Identification code 12-4143-0-3-351	1996 actual	1997 est.	1998 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	66	66	66
1233 Disbursements: Purchase of loans assets from a liquidating account			34
1290 Outstanding, end of year	66	66	100

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	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	66	66	66	100
1405 Allowance for subsidy cost (-)	-33	-33	-33	-33
1499 Net present value of assets related to direct loans	33	33	33	67
1999 Total assets	33	33	33	67
LIABILITIES:				
2103 Federal liabilities: Debt	33	33	33	67
2999 Total liabilities	33	33	33	67

P.L. 480 TITLE I FOOD FOR PROGRESS CREDITS, PROGRAM ACCOUNT**Unavailable Collections (in millions of dollars)**

Identification code 12-2273-0-1-351	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year		38	38
Receipts:			
02.01 Downward reestimates of subsidies	38		
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 12-2273-0-1-351	1996 actual	1997 est.	1998 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year: Uninvested balance	1	29	4
22.10 Resources available from recoveries of prior year obligations	28		

22.21 Unobligated balance transferred to other accounts	-25		
23.90 Total budgetary resources available for obligation	29	4	4
24.40 Unobligated balance available, end of year: Uninvested balance	29	4	4

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance: Appropriation	28		
73.45 Adjustments in unexpired accounts	-28		

Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays			

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

Identification code 12-2273-0-1-351	1996 actual	1997 est.	1998 est.
Direct loan subsidy budget authority:			
1330 Subsidy budget authority	28		
Direct loan subsidy outlays:			
1349 Total subsidy 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)**

Identification code 12-4078-0-3-351	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.02 Interest to Treasury on borrowings	15	3	3
00.07 Technical reestimate of subsidy	35		
00.08 Technical reestimate—interest	4		
10.00 Total obligations	54	3	3

Budgetary resources available for obligation:

21.40 Unobligated balance available, start of year: Uninvested balance	77	38	
22.00 New financing authority (gross)	25	13	13
22.40 Capital transfer to general fund		-38	
22.60 Redemption of debt	-9	-10	-10
23.90 Total budgetary resources available for obligation	93	3	3
23.95 New obligations	-54	-3	-3
24.40 Unobligated balance available, end of year: Uninvested balance	38		

New financing authority (gross), detail:

68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	25	13	13
	25	13	13

Change in unpaid obligations:

73.10 New obligations	54	3	3
73.20 Total financing disbursements (gross)	-54	-3	-3
87.00 Total financing disbursements (gross)	54	3	3

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds	-12		

88.40	Interest collections	-13	-13	-13
88.90	Total, offsetting collections (cash)	-25	-13	-13
Net financing authority and financing disbursements:				
89.00	Financing authority			
90.00	Financing disbursements	30	-10	-10

Status of Direct Loans (in millions of dollars)

Identification code 12-4078-0-3-351	1996 actual	1997 est.	1998 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	508	508	508
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	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	77			
1106 Investments in US securities:				
Receivables, net	27			
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	508	508	508	
1405 Allowance for subsidy cost (-)	-351	-351	-351	
1499 Net present value of assets related to direct loans	157	157	157	
1999 Total assets	261	157	157	
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	11			
2103 Debt	225	225	225	
2105 Other	27			
2999 Total liabilities	263	225	225	
NET POSITION:				
3600 Other	-2	-68	-68	
3999 Total net position	-2	-68	-68	
4999 Total liabilities and net position	261	157	157	

EXPENSES, PUBLIC LAW 480, FOREIGN ASSISTANCE PROGRAMS, AGRICULTURE, LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 12-2274-0-1-151	1996 actual	1997 est.	1998 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	139	128	5
22.00 New budget authority (gross)		5	37
22.40 Capital transfer to general fund	-11	-128	
23.90 Total budgetary resources available for obligation	128	5	42
24.40 Unobligated balance available, end of year:			
Uninvested balance	128	5	42
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
Offsetting collections (cash):			
68.00 Offsetting collections (cash)	572	540	483
68.00 Offsetting collections—Treasury Debt Restructuring Program account		5	37
68.27 Capital transfer to general fund	-572	-540	-483
68.90 Spending authority from offsetting collections (total)		5	37

70.00	Total new budget authority (gross)	5	37
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Federal sources:			
88.00	Federal sources—Debt Reduction		-34
88.00	Federal sources—Jordan		-5
88.40	Principal and interest collections	-572	-540
88.90	Total, offsetting collections (cash)	-572	-545

Net budget authority and outlays:

89.00	Budget authority	-572	-540	-483
90.00	Outlays	-572	-545	-520

Status of Direct Loans (in millions of dollars)

Identification code 12-2274-0-1-151	1996 actual	1997 est.	1998 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	10,077	9,767	9,438
Repayments:			
Repayments and prepayments:			
1251 Repayments and prepayments	-310	-320	-283
1251 Repayments and prepayments—debt reduction			-34
Write-offs for default:			
1263 Direct loans		-9	-14
1264 Other adjustments, net			-228
1290 Outstanding, end of year	9,767	9,438	8,879

Program Activities

[In millions of dollars]

	1996 actual	1997 est.	1998 est.
Ocean freight differential (title I)	23	14	10
Commodities supplied in connection with dispositions abroad (title II)	864	837	837
Commodities supplied in connection with dispositions abroad (title III)	53	30	30
Total program level	940	881	877

RECONCILIATION OF PROGRAM LEVEL TO PROGRAM COSTS FUNDED BY P.L. 480 OR CCC

[In millions of dollars]

	1996 actual	1997 est.	1998 est.
<i>Title I</i>			
Commodity costs	280	227	113
Ocean freight differential and ocean transportation	23	14	10
Total program level, current year	303	241	123
Prior year obligations financed	158	134	100
Obligations financed in succeeding years	-164	-139	-76
Total program costs, funded program level	297	236	147
<i>Title II</i>			
Commodity costs	512	538	537
Ocean and inland transportation	352	299	300
Total program level, current year	864	837	837
Prior year obligations financed	192	441	303
Current year obligations financed in succeeding years	-369	-301	-301
Total program costs, funded program level	686	977	839
<i>Title III</i>			
Commodity costs	51	22	23
Ocean and inland transportation	2	7	7
Total program level, current year	53	30	30
Prior year obligations financed	102	64	22
Current year obligations financed in succeeding years	-53	-21	-21
Total program costs, funded program level	102	73	31

Financing sales of agricultural commodities to developing countries for dollars on credit terms, or for local currencies

Credit accounts—ContinuedEXPENSES, PUBLIC LAW 480, FOREIGN ASSISTANCE PROGRAMS,
AGRICULTURE, LIQUIDATING ACCOUNT—Continued

(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:	1996 actual	1997 est.	1998 est.	
Expenses of shipments (Title I):				
Commodity costs:				
Long-term credit	280	227	113	
Total commodity costs	280	227	113	

Ocean freight and freight differential (support of U.S. Merchant Marine):			
Long-term credit	23	14	10
Total ocean freight and freight differential	23	14	10
Total expenses of shipments	303	241	123
Appropriation—Title I loan subsidy	236	179	88
Appropriation—Ocean freight differential	25	14	10
Title I credit not subsidized through appropriation	44	48	25

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:	1996 actual	1997 est.	1998 est.	
Expenses of shipments:				
Commodity Credit Corporation stocks and other costs in connection with commodities supplied	512	538	537	
Ocean transportation	352	299	300	
Total program costs	864	837	837	
Appropriation or estimate	864	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:	1996 Actual	1997 est.	1998 est.
Expenses of shipments:			
Commodity Credit Corporation stocks and other costs in connections with commodities supplied	51	22	23
Ocean transportation	2	7	7
Total program costs	53	30	30
Appropriation or estimate	53	30	30

Balance Sheet (in millions of dollars)

Identification code 12-2274-0-1-151	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	142	128		
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	10,077	9,767	9,447	9,155
1601 Direct loans, adjustment—Debt Reduction				-262
1601 Direct loans, gross—Jordan			-9	-14
1602 Interest receivable	104	131	131	131
1603 Allowance, loans receivable (-)	-6,032	-5,680	-5,580	-5,417
1699 Value of assets related to direct loans	4,149	4,218	3,989	3,593
1999 Total assets	4,291	4,351	3,989	3,593
LIABILITIES:				
2104 Federal liabilities: Resources payable to Treasury	4,291	4,351	3,998	3,869
2999 Total liabilities	4,291	4,351	3,998	3,869
NET POSITION:				
Cumulative results of operations:				
3300 Cumulative results of operations—Debt Reduction				-262
3300 Cumulative results of operations—Jordan			-9	-14
3999 Total net position			-9	-276
4999 Total liabilities and net position	4,291	4,351	3,989	3,593

Trust Funds

MISCELLANEOUS CONTRIBUTED FUNDS

Unavailable Collections (in millions of dollars)

Identification code 12-8232-0-7-352	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year			3
Receipts:			
02.01 Deposits of miscellaneous contributed funds, International Cooperation and Development	1	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	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	1	1	1
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	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 balance	5	5	5

New budget authority (gross), detail:

60.27 Appropriation (trust fund, indefinite)	1	1	1
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Change in unpaid obligations:

73.10 New obligations	1	1	1
73.20 Total outlays (gross)	-1	-1	-1

Outlays (gross), detail:

86.97 Outlays from new permanent authority	1	1	1
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Net budget authority and outlays:

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 SERVICE

Federal Funds

General and special funds:

FOOD PROGRAM ADMINISTRATION

For necessary administrative expenses of the domestic food programs funded under this Act, **[\$106,128,000] \$105,501,000**, 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, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-3508-0-1-605	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Direct program:			
00.01 Food program administration	107	106	106
03.02 Reimbursable program: Other	1	1	1
10.00 Total obligations	108	107	107
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	109	107	107
22.30 Unobligated balance expiring	-1		
23.90 Total budgetary resources available for obligation	108	107	107
23.95 New obligations	-108	-107	-107
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	108	106	106
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	1	1
70.00 Total new budget authority (gross)	109	107	107
Change in unpaid obligations:			
Unpaid obligations, start of year: Obligated balance:			
Appropriation	9	8	8
73.10 New obligations	108	107	107
73.20 Total outlays (gross)	-108	-107	-107
Unpaid obligations, end of year: Obligated balance:			
Appropriation	8	8	8
Outlays (gross), detail:			
86.90 Outlays from new current authority	100	99	99

General and special funds—Continued

FOOD PROGRAM ADMINISTRATION—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-3508-0-1-605	1996 actual	1997 est.	1998 est.
86.93 Outlays from current balances	7	7	7
86.97 Outlays from new permanent authority	1	1	1
87.00 Total outlays (gross)	108	107	107
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1	-1	-1
Net budget authority and outlays:			
89.00 Budget authority	108	106	106
90.00 Outlays	107	106	106

Food program administration funds the Federal operating expenses of the Food and Consumer Service.

Object Classification (in millions of dollars)

Identification code 12-3508-0-1-605	1996 actual	1997 est.	1998 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	76	75	76
11.3 Other than full-time permanent	2	2	2
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	79	78	79
12.1 Civilian personnel benefits	15	15	15
21.0 Travel and transportation of persons	2	2	2
23.3 Communications, utilities, and miscellaneous charges	2	2	1
25.2 Other services	6	6	6
31.0 Equipment	1	1	1
99.0 Subtotal, direct obligations	105	104	104
99.0 Reimbursable obligations	1	1	1
99.5 Below reporting threshold	2	2	2
99.9 Total obligations	108	107	107

Personnel Summary

Identification code 12-3508-0-1-605	1996 actual	1997 est.	1998 est.
Total compensable workyears:			
1001 Full-time equivalent employment	1,609	1,597	1,601
1005 Full-time equivalent of overtime and holiday hours	3	3	3

THE CENTER FOR NUTRITION POLICY AND PROMOTION

For necessary expenses for the Center for Nutrition Policy and Promotion to develop and implement programs to strengthen nutrition research information and education in the United States, \$2,499,000: 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 \$150,000 shall be available for employment under 5 U.S.C. 3109.

Program and Financing (in millions of dollars)

Identification code 12-3506-0-1-605	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Direct program: The Center for Nutrition Policy and Promotion			2
02.01 Reimbursable program	3	2	
10.00 Total obligations	3	2	2
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	3	2	2
23.95 New obligations	-3	-2	-2
New budget authority (gross), detail:			
Current:			
40.00 Appropriation			2

Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	3	2	
70.00 Total new budget authority (gross)	3	2	2

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance: Appropriation	1		
73.10 New obligations	3	2	2
73.20 Total outlays (gross)	-3	-2	-2
74.40 Unpaid obligations, end of year: Obligated balance: Appropriation			

Outlays (gross), detail:

86.90 Outlays from new current authority			2
86.97 Outlays from new permanent authority	3	2	
87.00 Total outlays (gross)	3	2	2

Offsets:

Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-3	-2	

Net budget authority and outlays:

89.00 Budget authority			2
90.00 Outlays			2

The Center for Nutrition Policy and Promotion is charged with the linking of nutrition science with the needs of American consumers and to coordinate nutrition promotion policy analysis.

The Center for Nutrition Policy and Promotion was funded within the Food Program Administration account in 1996 and 1997.

Object Classification (in millions of dollars)

Identification code 12-3506-0-1-605	1996 actual	1997 est.	1998 est.
11.1 Direct obligations: Personnel compensation: Full-time permanent			2
99.0 Reimbursable obligations: Subtotal, reimbursable obligations	3	2	
99.9 Total obligations	3	2	2

Personnel Summary

Identification code 12-3506-0-1-605	1996 actual	1997 est.	1998 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment			34
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	32	35	

FOOD STAMP PROGRAM

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. 2011 et seq.), [\$27,618,029,000: Provided, That funds provided herein shall] and to remain available through September 30, [1997] 1998, in accordance with section 18(a) of the Food Stamp Act: [Provided further, That \$100,000,000 of the foregoing amount], \$27,551,479,000: of which \$2,500,000,000 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 further, That not to exceed \$3,000,000 of the funds made available under this heading shall be used for studies and evaluations.]; of which \$1,204,000,000 shall be available for nutrition assistance for Puerto Rico as authorized by 7 U.S.C. 2028; of which \$100,000,000 shall be available to carry out the Emergency Food Assistance Program as authorized by section 27 of the Food Stamp Act: Provided [further], 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 \$1,174,000,000 of the foregoing amount shall be available for nutrition assistance for Puerto Rico as authorized by 7 U.S.C. 2028].

For necessary expenses to carry out the Food Stamp Act for the first quarter of fiscal year 1999, \$6,600,000,000, to remain available through January 31, 1999. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.)

Program and Financing (in millions of dollars)

Identification code 12-3505-0-1-605	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Direct program:			
00.01 Properly issued benefits	20,805	19,701	20,101
00.02 Estimated State erroneous issuances	1,588	1,483	1,490
00.03 State administration	1,614	1,766	1,812
00.04 Employment and training program	180	187	191
00.05 Other program costs	67	78	70
00.06 Puerto Rico	1,143	1,174	1,204
00.07 Food distribution program on Indian reservations (Commodities in lieu of food stamps)	44	47	57
00.08 Food distribution program on Indian reservations (Cooperator administrative expense)	20	18	18
00.09 The emergency food assistance program (commodities)		100	100
00.10 Modified Food Stamp Program in American Samoa	5	5	5
00.11 Community Food Project	1	3	3
00.91 Total direct program	25,467	24,562	25,051
01.01 Reimbursable program		85	85
10.00 Total obligations	25,467	24,647	25,136
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	27,691	27,703	27,636
22.30 Unobligated balance expiring	-2,224	-3,056	-2,500
23.90 Total budgetary resources available for obligation	25,467	24,562	25,136
23.95 New obligations	-25,467	-24,647	-25,136
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	27,661	27,618	27,551
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	30	85	85
70.00 Total new budget authority (gross)	27,691	27,703	27,636
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	310	420	482
73.10 New obligations	25,467	24,647	25,136
73.20 Total outlays (gross)	-25,452	-24,585	-25,129
73.40 Adjustments in expired accounts	95		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	420	482	489
Outlays (gross), detail:			
86.90 Outlays from new current authority	25,142	24,165	24,647
86.93 Outlays from current balances	310	420	482
87.00 Total outlays (gross)	25,452	24,585	25,129
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-30	-85	-85
Net budget authority and outlays:			
89.00 Budget authority	27,661	27,618	27,551
90.00 Outlays	25,422	24,500	25,044

Summary of Budget Authority and Outlays

(in millions of dollars)

	1996 actual	1997 est.	1998 est.
Enacted/requested:			
Budget Authority	27,661	27,618	27,551
Outlays	25,422	24,500	25,044
Supplemental proposal:			
Budget Authority			
Outlays		-6	
Legislative proposal, subject to PAYGO:			
Budget Authority		365	845
Outlays		362	836
Total:			
Budget Authority	27,661	27,983	28,396

Outlays	25,422	24,856	25,880
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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.

Object Classification (in millions of dollars)

Identification code 12-3505-0-1-605	1996 actual	1997 est.	1998 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	3	3	3
21.0 Travel and transportation of persons	1	1	1
22.0 Transportation of things	5	5	4
24.0 Printing and reproduction	11	27	21
25.1 Advisory and assistance services	11	3	11
25.2 Other services	35	38	41
26.0 Supplies and materials	45	148	157
31.0 Equipment			1
41.0 Grants, subsidies, and contributions	25,326	24,337	24,812
99.0 Subtotal, direct obligations	25,437	24,562	25,051
99.0 Reimbursable obligations	30	85	85
99.9 Total obligations	25,467	24,647	25,136

Personnel Summary

Identification code 12-3505-0-1-605	1996 actual	1997 est.	1998 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	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Direct program:			
00.01 Properly issued benefits		330	712
00.02 Estimated State erroneous issuances		25	53
00.03 Employment and training program		10	40
00.05 Other Technical Fixes			40
10.00 Total obligations (object class 41.0)		365	845
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		365	845
23.95 New obligations		-365	-845
New budget authority (gross), detail:			
40.00 Appropriation		365	845
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation			3
73.10 New obligations		365	845
73.20 Total outlays (gross)		-362	-836
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation		3	12
Outlays (gross), detail:			
86.90 Outlays from new current authority		362	833
86.93 Outlays from current balances			3
87.00 Total outlays (gross)		362	836
Net budget authority and outlays:			
89.00 Budget authority		365	845
90.00 Outlays		362	836

General and special funds—Continued

FOOD STAMP PROGRAM—Continued

The Administration is proposing to restore Food Stamps for those looking for, but who cannot find a job as well as providing States with new funding to support an expanded work program with rigorous requirements and tough sanctions. Also, the proposal would continue to provide legal immigrants with benefits until the period August 1 to September 30, 1997. Finally, the Administration would restore the link between benefits and rising living costs. The shelter deduction and vehicle asset limit would each be increased and then indexed and the standard deduction would be reindexed.

CHILD NUTRITION PROGRAMS

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the National School Lunch Act (42 U.S.C. 1751 [1769b] *et seq.*), except section 21, and the Child Nutrition Act of 1966 (42 U.S.C. 1772) *et seq.* [1785, and 1789]; except sections 17 and [19; \$8,653,297,000] 21; \$7,782,766,000, to remain available through September 30, [1998] 1999 of which [\$3,219,544,000] \$2,631,375,000 is hereby appropriated and [\$5,433,753,000] \$5,151,391,000 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 [not to exceed \$1,000,000 of the funds made available under this heading shall be used for studies and evaluations: *Provided further*, That] up to [\$4,031,000] \$4,124,000 shall be available for independent verification of school food service claims. (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-3539-0-1-605	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
School lunch program:			
00.01 Above 185% of poverty	603	626	651
00.02 130-185% of poverty	392	407	423
00.03 Below 130% of poverty	3,698	3,837	3,992
00.91 Subtotal, school lunch	4,693	4,870	5,066
School breakfast program:			
01.01 Above 185% of poverty	30	32	34
01.02 130-185% of poverty	56	60	63
01.03 Below 130% of poverty	1,036	1,098	1,168
01.91 Subtotal, school breakfast	1,122	1,190	1,265
Child and adult care feeding program:			
02.01 Above 185% of poverty	681	601	416
02.02 130-185% of poverty	46	60	64
02.03 Below 130% of poverty	803	836	901
02.04 Audits	23	29	31
02.91 Subtotal, child and adult care feeding	1,553	1,526	1,412
03.01 Summer feeding	258	255	277
03.02 Special milk program	19	19	20
03.03 State administrative expenses	100	110	112
03.04 Commodity procurement	277	297	330
Discretionary activities:			
04.01 School meals initiative	13	12	10
04.02 Coordinated Review	4	4	4
04.03 Nutrition studies and surveys	3	3	3
04.04 Nutrition education and training	4	4	10
04.05 Computer support and processing	7	7	7
04.06 Demonstrations	4	4	4
04.91 Subtotal, discretionary activities	31	34	38
Activities with permanent appropriations:			
05.01 Homeless children nutrition program	2	3	3
05.02 Boarder babies and information clearinghouse	1	1	1
05.03 Nutrition education, training and food service mgmt. inst.	11	2	2
05.04 School breakfast and summer food service program start-up grants	2		
05.91 Subtotal, activities with permanent appropriations	16	6	6
10.00 Total obligations	8,069	8,307	8,526

Budgetary resources available for obligation:

21.40 Unobligated balance available, start of year:			
Uninvested balance	141	385	737
22.00 New budget authority (gross)	7,966	8,659	7,789
22.10 Resources available from recoveries of prior year obligations	370		
22.30 Unobligated balance expiring	-24		
23.90 Total budgetary resources available for obligation	8,453	9,044	8,526
23.95 New obligations	-8,069	-8,307	-8,526
24.40 Unobligated balance available, end of year:			
Uninvested balance	385	737	

New budget authority (gross), detail:

Current:			
40.00 Appropriation	2,348	3,219	2,632
Permanent:			
60.00 Appropriation	20	6	6
62.00 Transferred from other accounts	5,598	5,434	5,151
63.00 Appropriation (total)	5,618	5,440	5,157
70.00 Total new budget authority (gross)	7,966	8,659	7,789

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	1,267	1,078	1,127
73.10 New obligations	8,069	8,307	8,526
73.20 Total outlays (gross)	-7,875	-8,258	-8,500
73.40 Adjustments in expired accounts	-13		
73.45 Adjustments in unexpired accounts	-370		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	1,078	1,127	1,153

Outlays (gross), detail:

86.90 Outlays from new current authority	873	1,355	1,479
86.93 Outlays from current balances	1,395	1,463	1,864
86.97 Outlays from new permanent authority	5,607	5,440	5,157
87.00 Total outlays (gross)	7,875	8,258	8,500

Net budget authority and outlays:

89.00 Budget authority	7,966	8,659	7,789
90.00 Outlays	7,875	8,258	8,500

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	1996 actual	1997 est.	1998 est.
Budget Authority	7,966	8,659	7,789
Outlays	7,875	8,258	8,500
Supplemental proposal:			
Budget Authority		6	
Outlays		6	
Total:			
Budget Authority	7,966	8,665	7,789
Outlays	7,875	8,264	8,500

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.

Object Classification (in millions of dollars)

Identification code 12-3539-0-1-605	1996 actual	1997 est.	1998 est.
11.1 Personnel compensation: Full-time permanent	5	5	5
12.1 Civilian personnel benefits	1	1	1
21.0 Travel and transportation of persons	1	1	1
24.0 Printing and reproduction	2	2	2
25.1 Advisory and assistance services	3	3	3
25.2 Other services	9	9	7
26.0 Supplies and materials (Commodities)	278	297	330
41.0 Grants, subsidies, and contributions	7,770	7,989	8,177
99.9 Total obligations	8,069	8,307	8,526

Personnel Summary

Identification code 12-3539-0-1-605	1996 actual	1997 est.	1998 est.
1001 Total compensable workyears: Full-time equivalent employment	109	118	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), [S\$3,729,807,000] \$4,108,000,000, to remain available through September 30, [1998: Provided, That none of the funds made available under this heading may be used to begin more than two studies and evaluations: Provided further, That] 1999, of which up to [S\$6,750,000] \$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 once the amount for fiscal year 1996 carryover funds has been determined by the Secretary, any funds in excess of \$100,000,000 may be transferred by the Secretary of Agriculture to the Rural Utilities Assistance Program and/or to the Rural Housing Insurance Fund for the cost of direct section 502 loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974]; and of which \$100,000,000, 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 cost increases exceed budget estimates: Provided, That notwithstanding sections 17 (g), (h) and (i) of such Act, the Secretary shall adjust fiscal year 1998 State allocations to reflect food funds available to the State from fiscal year 1997 under section 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): 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 [(42 U.S.C. 1786)]: Provided further, That 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, 1997.)

Program and Financing (in millions of dollars)

Identification code 12-3510-0-1-605	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 WIC Program	3,714	3,875	4,108
01.01 Reimbursable Program—CDC	1		
10.00 Total obligations	3,715	3,875	4,108
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance		118	
22.00 New budget authority (gross)	3,695	3,730	4,108
22.10 Resources available from recoveries of prior year obligations	140	27	100
22.30 Unobligated balance expiring	-1		
23.90 Total budgetary resources available for obligation	3,834	3,875	4,208
23.95 New obligations	-3,715	-3,875	-4,108
24.40 Unobligated balance available, end of year:			
Uninvested balance	118		100
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	3,730	3,730	4,108
41.00 Transferred to other accounts	-36		
43.00 Appropriation (total)	3,694	3,730	4,108

Permanent:			
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	1	
70.00	Total new budget authority (gross)	3,695	3,730 4,108
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation	336	239 319
73.10	New obligations	3,715	3,875 4,108
73.20	Total outlays (gross)	-3,679	-3,769 -3,988
73.40	Adjustments in expired accounts	7	
73.45	Adjustments in unexpired accounts	-140	-27 -100
74.40	Unpaid obligations, end of year: Obligated balance:		
	Appropriation	239	319 339
Outlays (gross), detail:			
86.90	Outlays from new current authority	3,482	3,557 3,724
86.93	Outlays from current balances	196	212 264
86.97	Outlays from new permanent authority	1	
87.00	Total outlays (gross)	3,679	3,769 3,988
Offsets:			
Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	-1	
Net budget authority and outlays:			
89.00	Budget authority	3,694	3,730 4,108
90.00	Outlays	3,679	3,769 3,988

Summary of Budget Authority and Outlays

(in millions of dollars)

	1996 actual	1997 est.	1998 est.
Enacted/requested:			
Budget Authority	3,694	3,730	4,108
Outlays	3,678	3,769	3,988
Supplemental proposal:			
Budget Authority		100	
Outlays		91	9
Total:			
Budget Authority	3,694	3,830	4,108
Outlays	3,678	3,860	3,997

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.

Object Classification (in millions of dollars)

Identification code 12-3510-0-1-605	1996 actual	1997 est.	1998 est.
Direct obligations:			
25.1 Advisory and assistance services	3	3	3
41.0 Grants, subsidies, and contributions	3,712	3,872	4,105
99.0 Subtotal, direct obligations	3,715	3,875	4,108
99.0 Reimbursable obligations	1		
99.9 Total obligations	3,715	3,875	4,108

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)), the Emergency Food Assistance Act of 1983, as amended, [and] section 110 of the Hunger Prevention Act of 1988, \$166,000,000 the Nutrition Program for the Elderly as authorized by section 311 of the Older Americans Act of 1965, as amended (42 U.S.C. 3030a), and Special Assistance for the nuclear affected islands as authorized by the Omnibus Insular Areas Act of 1992, and for non-presidentially declared disasters, \$272,165,000, to remain available through September 30, [1998] 1999: 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

General and special funds—Continued

[FOOD DONATIONS PROGRAMS FOR SELECTED GROUPS]—Continued

section 311 of the Older Americans Act of 1965, as amended (42 U.S.C. 3030a), \$141,250,000, to remain available through September 30, 1998. (Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.)

Program and Financing (in millions of dollars)

Identification code 12-3507-0-1-605	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Commodity supplemental food program:			
00.01 Commodity procurement	66	74	69
00.02 Administrative costs	21	18	17
01.92 Subtotal, commodity supplemental food program	87	92	86
The emergency food assistance program:			
02.01 Administrative costs	31	45	45
02.02 Commodity Procurement	16	45	.....
02.92 Subtotal, the emergency food assistance program	47	90	45
03.01 Commodities for soup kitchens	33	.....	.....
04.01 Pacific Island Assistance	1	1	1
05.01 Nutrition Program for the Elderly	148	143	140
10.00 Total obligations	316	326	272
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	13	19	.....
22.00 New budget authority (gross)	317	307	272
22.10 Resources available from recoveries of prior year obligations	4	2	.....
22.30 Unobligated balance expiring	1	.....	.....
23.90 Total budgetary resources available for obligation	335	328	272
23.95 New obligations	-316	-326	-272
24.40 Unobligated balance available, end of year:			
Uninvested balance	19	.....	.....
New budget authority (gross), detail:			
40.00 Appropriation	317	307	272
70.00 Total new budget authority (gross)	317	307	272
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	53	59	41
73.10 New obligations	316	326	272
73.20 Total outlays (gross)	-301	-342	-276
73.40 Adjustments in expired accounts	-4	.....	.....
73.45 Adjustments in unexpired accounts	-4	-2	.....
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	59	41	37
Outlays (gross), detail:			
86.90 Outlays from new current authority	255	281	239
86.93 Outlays from current balances	46	61	37
87.00 Total outlays (gross)	301	342	276
Net budget authority and outlays:			
89.00 Budget authority	317	307	272
90.00 Outlays	301	342	276
Distribution of budget authority by account:			
Commodity assistance program	166	166	272
Food donations programs for selected groups	215	141	.....
Distribution of outlays by account:			
Commodity assistance program	136	169	276
Food donations programs for selected groups	204	173	.....
Commodity supplemental food program	16	.....	.....
Temporary emergency food assistance program	8	.....	.....

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.

Assistance is also provided to residents of the Nuclear Affected Islands and Palau and funds are made available for non-presidentially declared disasters.

Object Classification (in millions of dollars)

Identification code 12-3507-0-1-605	1996 actual	1997 est.	1998 est.
26.0 Supplies and materials (commodities)	123	126	76
41.0 Grants, subsidies, and contributions	193	200	196
99.9 Total obligations	316	326	272

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 ecosystem planning, inventory, and monitoring, and for administrative expenses associated with the management of funds provided under the heads "Forest and Rangeland Research," "State and Private Forestry," "National Forest System," "Wildland Fire Management," "Reconstruction and Construction," and "Land Acquisition," **[\$1,274,781,000]** \$1,325,672,000, to remain available until expended, [and including] which shall include 50 per centum of all monies received during [the] prior fiscal [year] 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 \$5,000,000 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 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, 1997.)

Unavailable Collections (in millions of dollars)

Identification code 12-1106-0-1-302	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year	61	67	67
Receipts:			
02.01 Fees, operation and maintenance of recreational facilities	6	5	5
04.00 Total: Balances and collections	67	72	72
Appropriation:			
05.01 National forest system .....	.....	-5	-72
07.99 Total balance, end of year	67	67	.....

Program and Financing (in millions of dollars)

Identification code 12-1106-0-1-302	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Direct program:			
00.01 National Forest System	1,257	1,254	1,331
00.04 Flood Supplemental	4	17	.....
00.91 Total direct program	1,261	1,271	1,331
01.01 Reimbursable program	99	90	90
10.00 Total obligations	1,360	1,361	1,421

Budgetary resources available for obligation:

21.40	Unobligated balance available, start of year:			
	Uninvested balance	114	142	187
22.00	New budget authority (gross)	1,383	1,386	1,425
22.10	Resources available from recoveries of prior year obligations	3		
22.22	Unobligated balance transferred from other accounts	2	20	
23.90	Total budgetary resources available for obligation	1,502	1,548	1,612
23.95	New obligations	-1,360	-1,361	-1,421
24.40	Unobligated balance available, end of year:			
	Uninvested balance	142	187	191

New budget authority (gross), detail:

Current:				
40.00	Appropriation	1,283	1,270	1,253
40.25	Appropriation (special fund, indefinite)		5	72
43.00	Appropriation (total)	1,283	1,275	1,325
Permanent:				
62.00	Transferred from other accounts	1	16	15
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	99	95	85
70.00	Total new budget authority (gross)	1,383	1,386	1,425

Change in unpaid obligations:

72.40	Unpaid obligations, start of year: Obligated balance:			
	Appropriation	191	163	111
73.10	New obligations	1,360	1,361	1,421
73.20	Total outlays (gross)	-1,387	-1,413	-1,444
73.45	Adjustments in unexpired accounts	-3		
74.40	Unpaid obligations, end of year: Obligated balance:			
	Appropriation	163	111	88

Outlays (gross), detail:

86.90	Outlays from new current authority	1,097	1,084	1,153
86.93	Outlays from current balances	191	218	191
86.97	Outlays from new permanent authority	99	111	100
87.00	Total outlays (gross)	1,387	1,413	1,444

Offsets:

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-80	-85	-75
88.40	Non-Federal sources	-19	-10	-10
88.90	Total, offsetting collections (cash)	-99	-95	-85

Net budget authority and outlays:

89.00	Budget authority	1,284	1,291	1,340
90.00	Outlays	1,286	1,318	1,359

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 Manage-

ment, Reconstruction and Construction, and Land Acquisition appropriations.

Performance Indicators

	1996 actual	1997 est.	1998 est.
Area administered and protected (million acres)	192	192	192
Timber sales offered (billion board feet)	4.0	4.2	3.8
Reforestation (appropriated) (thousand acres)	129.9	96.9	104.0
Timber stand improvement (appropriated) (thousand acres)	130.4	51.0	106.4
Recreation: Seasonal capacity available (million people-at-one-time)	157	157	157
Soil and water resource improvements (thousand acres)	25.4	25.4	26.6
Roads maintained (thousand miles)	377.6	380.2	380.2
Wildlife habitat restored or enhanced (hundred acres)	104.7	96.7	96.7
Anadromous fish streams habitat restored or enhanced (miles)	631	501	520

Object Classification (in millions of dollars)

Identification code 12-1106-0-1-302	1996 actual	1997 est.	1998 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	585	608	643
11.3	Other than full-time permanent	47	48	51
11.5	Other personnel compensation	20	21	21
11.9	Total personnel compensation	652	677	715
12.1	Civilian personnel benefits	152	158	167
13.0	Benefits for former personnel	12	13	13
21.0	Travel and transportation of persons	35	33	34
22.0	Transportation of things	8	8	8
23.1	Rental payments to GSA	20	20	20
23.2	Rental payments to others	21	20	20
23.3	Communications, utilities, and miscellaneous charges	40	38	39
24.0	Printing and reproduction	5	5	5
25.2	Other services	229	217	224
26.0	Supplies and materials	57	54	56
31.0	Equipment	24	23	24
32.0	Land and structures	3	3	3
42.0	Insurance claims and indemnities	3	2	3
99.0	Subtotal, direct obligations	1,261	1,271	1,331
99.0	Reimbursable obligations	99	90	90
99.9	Total obligations	1,360	1,361	1,421

Personnel Summary

Identification code 12-1106-0-1-302	1996 actual	1997 est.	1998 est.	
Direct:				
Total compensable workyears:				
1001	Full-time equivalent employment	19,288	19,308	19,330
1005	Full-time equivalent of overtime and holiday hours	304	351	344
Reimbursable:				
Total compensable workyears:				
2001	Full-time equivalent employment	433	508	508
2005	Full-time equivalent of overtime and holiday hours	29	34	34

RECONSTRUCTION AND CONSTRUCTION

For necessary expenses of the Forest Service, not otherwise provided for, [S174,974,000] \$146,084,000, 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[: *Provided*, That not to exceed \$50,000,000, to remain available until expended, may be obligated for the construction of forest roads by timber purchasers: *Provided further*, That funds appropriated under this head for the construction of the Wayne National Forest Supervisor's Office may be granted to the Ohio State Highway Patrol as the federal share of the cost of construction of a new facility to be occupied jointly by the Forest Service and the Ohio State Highway Patrol: *Provided further*, That an agreed upon lease of space in the new facility shall be provided to the Forest Service without charge for the life of the building]. (*Department of the Interior and Related Agencies Appropriations Act, 1997.*)

General and special funds—Continued

RECONSTRUCTION AND CONSTRUCTION—Continued

Program and Financing (in millions of dollars)

Identification code 12-1103-0-1-302	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Direct program:			
00.01 Construction of facilities	62	51	55
00.02 Road and trail construction	110	89	98
00.03 Flood Supplemental	7	43	11
00.91 Total construction	179	183	164
01.01 Reimbursable program	7	7	7
10.00 Total obligations	186	190	171
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	67	114	106
22.00 New budget authority (gross)	233	182	153
23.90 Total budgetary resources available for obligation	300	296	259
23.95 New obligations	-186	-190	-171
24.40 Unobligated balance available, end of year:			
Uninvested balance	114	106	88
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	226	175	146
Permanent:			
68.00 Spending authority from offsetting collections: Off-			
setting collections (cash)	7	7	7
70.00 Total new budget authority (gross)	233	182	153
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	121	96	120
73.10 New obligations	186	190	171
73.20 Total outlays (gross)	-211	-166	-164
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	96	120	127
Outlays (gross), detail:			
86.90 Outlays from new current authority	83	99	82
86.93 Outlays from current balances	121	60	75
86.97 Outlays from new permanent authority	7	7	7
87.00 Total outlays (gross)	211	166	164
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-6	-7	-7
88.40 Non-Federal sources	-1		
88.90 Total, offsetting collections (cash)	-7	-7	-7
Net budget authority and outlays:			
89.00 Budget authority	226	175	146
90.00 Outlays	204	159	157

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. Roads also may be constructed and/or reconstructed by a timber pur-

chaser as a requirement of the timber sale contract. (16 U.S.C. 535, 1608).

Object Classification (in millions of dollars)

Identification code 12-1103-0-1-302	1996 actual	1997 est.	1998 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	50	48	44
11.3 Other than full-time permanent	3	3	3
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	54	52	48
12.1 Civilian personnel benefits	12	12	11
13.0 Benefits for former personnel	1	1	1
21.0 Travel and transportation of persons	3	3	3
22.0 Transportation of things	1	1	1
23.1 Rental payments to GSA	2	2	2
23.2 Rental payments to others	2	2	2
23.3 Communications, utilities, and miscellaneous charges	3	3	3
25.2 Other services	64	68	59
26.0 Supplies and materials	7	7	6
31.0 Equipment	2	3	2
32.0 Land and structures	25	26	23
41.0 Grants, subsidies, and contributions	3	3	3
99.0 Subtotal, direct obligations	179	183	164
99.0 Reimbursable obligations	7	7	7
99.9 Total obligations	186	190	171

Personnel Summary

Identification code 12-1103-0-1-302	1996 actual	1997 est.	1998 est.
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment	1,429	1,346	1,199
1005 Full-time equivalent of overtime and holiday hours	32	30	27
Reimbursable:			
Total compensable workyears:			
2001 Full-time equivalent employment	20	23	23
2005 Full-time equivalent of overtime and holiday hours	1	1	1

FOREST AND RANGELAND RESEARCH

For necessary expenses of forest and rangeland research as authorized by law, **[\$179,786,000] \$179,781,000**, 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, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-1104-0-1-302	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.06 Forest and Rangeland Research	174	175	175
01.01 Reimbursable program	15	15	15
10.00 Total obligations	189	190	190
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	10	14	19
22.00 New budget authority (gross)	193	195	195
22.30 Unobligated balance expiring	-1		
23.90 Total budgetary resources available for obligation	202	209	214
23.95 New obligations	-189	-190	-190
24.40 Unobligated balance available, end of year:			
Uninvested balance	14	19	24
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	178	180	180

Permanent:			
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	15	15
70.00	Total new budget authority (gross)	193	195
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation	67	58
73.10	New obligations	189	190
73.20	Total outlays (gross)	-198	-195
74.40	Unpaid obligations, end of year: Obligated balance:		
	Appropriation	58	53
Outlays (gross), detail:			
86.90	Outlays from new current authority	116	122
86.93	Outlays from current balances	67	58
86.97	Outlays from new permanent authority	15	15
87.00	Total outlays (gross)	198	195
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00	Federal sources	-13	-14
88.40	Non-Federal sources	-2	-1
88.90	Total, offsetting collections (cash)	-15	-15
Net budget authority and outlays:			
89.00	Budget authority	178	180
90.00	Outlays	182	192

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 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.

Object Classification (in millions of dollars)

Identification code 12-1104-0-1-302	1996 actual	1997 est.	1998 est.
Direct obligations:			
Personnel compensation:			
11.1	Full-time permanent	91	90
11.3	Other than full-time permanent	7	7
11.5	Other personnel compensation	1	1
11.9	Total personnel compensation	99	98
12.1	Civilian personnel benefits	22	21
13.0	Benefits for former personnel	1	1
21.0	Travel and transportation of persons	5	6
22.0	Transportation of things	1	1
23.1	Rental payments to GSA	1	1
23.3	Communications, utilities, and miscellaneous charges	5	6
24.0	Printing and reproduction	1	1
25.5	Research and development contracts	25	26
26.0	Supplies and materials	7	7
31.0	Equipment	5	5
41.0	Grants, subsidies, and contributions	2	2
99.0	Subtotal, direct obligations	174	175
99.0	Reimbursable obligations	15	15
99.9	Total obligations	189	190

Personnel Summary

Identification code 12-1104-0-1-302	1996 actual	1997 est.	1998 est.
Direct:			
Total compensable workyears:			
1001	Full-time equivalent employment	2,353	2,242

1005	Full-time equivalent of overtime and holiday hours	12	12	11
Reimbursable:				
2001	Total compensable workyears: Full-time equivalent employment	77	77	74

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 [pest] health management [activities], cooperative forestry, and education and land conservation activities, [\$155,461,000] \$156,408,000, 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. \$750,000 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]. (Department of the Interior and Related Agencies Appropriations Act, 1997.)

Program and Financing (in millions of dollars)

Identification code 12-1105-0-1-302	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
Direct program:			
00.05	Forest health management	64	67
00.06	Cooperative forestry	112	91
00.91	Total direct program	176	158
01.01	Reimbursable program	1	1
10.00	Total obligations	177	159
Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year: Uninvested balance	40	26
22.00	New budget authority (gross)	159	156
22.10	Resources available from recoveries of prior year obligations	4	
23.90	Total budgetary resources available for obligation	203	182
23.95	New obligations	-177	-159
24.40	Unobligated balance available, end of year: Uninvested balance	26	23
New budget authority (gross), detail:			
Current:			
40.00	Appropriation	158	155
Permanent:			
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	1	1
70.00	Total new budget authority (gross)	159	156
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation	131	144
73.10	New obligations	177	159
73.20	Total outlays (gross)	-160	-171
73.45	Adjustments in unexpired accounts	-4	
74.40	Unpaid obligations, end of year: Obligated balance:		
	Appropriation	144	132
Outlays (gross), detail:			
86.90	Outlays from new current authority	119	116
86.93	Outlays from current balances	40	54
86.97	Outlays from new permanent authority	1	1
87.00	Total outlays (gross)	160	171
Offsets:			
Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	-1	-1
Net budget authority and outlays:			
89.00	Budget authority	158	155
90.00	Outlays	159	170
Distribution of budget authority by account:			
	State and private forestry	137	155
	Emergency pest suppression fund	17	

General and special funds—Continued

STATE AND PRIVATE FORESTRY—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1105-0-1-302	1996 actual	1997 est.	1998 est.
Distribution of outlays by account:			
State and private forestry	149		
Emergency pest suppression fund	11		

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, cooperative lands, and cooperative fire management programs.

Cooperative Forestry.—Includes forest stewardship, the stewardship incentives program, the forest legacy program, urban and community forestry, economic action programs, and the Pacific Northwest community assistance programs. Forest stewardship includes: the forest resource management; and the seedlings, nursery, and tree improvement programs. Economic action programs include the economic recovery, rural development, and forest products conservation and recycling programs.

Object Classification (in millions of dollars)

Identification code 12-1105-0-1-302	1996 actual	1997 est.	1998 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	28	28	28
11.3 Other than full-time permanent	1	2	2
11.5 Other personnel compensation	1		
11.9 Total personnel compensation	30	30	30
12.1 Civilian personnel benefits	5	5	5
13.0 Benefits for former personnel	1		
21.0 Travel and transportation of persons	3	3	3
23.1 Rental payments to GSA	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	40	35	35
26.0 Supplies and materials	2	2	2
31.0 Equipment	1	1	1
32.0 Land and structures	5	5	5
41.0 Grants, subsidies, and contributions	86	74	75
99.0 Subtotal, direct obligations	176	158	159
99.0 Reimbursable obligations	1	1	1
99.9 Total obligations	177	159	160

Personnel Summary

Identification code 12-1105-0-1-302	1996 actual	1997 est.	1998 est.
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment	684	798	871
1005 Full-time equivalent of overtime and holiday hours	11	13	14
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	6	9	9

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, **[\$530,016,000]** \$514,311,000 to remain available until expended: *Provided*, That unexpended balances of amounts previously appropriated under any other headings for Forest Service fire activi-

ties are transferred to and merged with this appropriation and subject to the same terms and conditions: *Provided further*, That such funds are available for repayment of advances from other appropriations accounts previously transferred for such purposes. (*Department of the Interior and Related Agencies Appropriations Act, 1997.*)

Program and Financing (in millions of dollars)

Identification code 12-1115-0-1-302	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Fire management	583	751	514
01.01 Reimbursable program	27	27	27
10.00 Total obligations	610	778	541
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	18		
22.00 New budget authority (gross)	512	778	541
22.50 Deficiency	79		
23.90 Total budgetary resources available for obligation	609	778	541
23.95 New obligations	-610	-778	-541

New budget authority (gross), detail:

Current:			
40.00 Appropriation	485	830	514
40.48 Portion applied to liquidate deficiencies		-79	
43.00 Appropriation (total)	485	751	514
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	27	27	27
70.00 Total new budget authority (gross)	512	778	541

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	93	210	204
73.10 New obligations	610	778	541
73.20 Total outlays (gross)	-493	-784	-535
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	210	204	210

Outlays (gross), detail:

86.90 Outlays from new current authority	373	626	383
86.93 Outlays from current balances	93	131	125
86.97 Outlays from new permanent authority	27	27	27
87.00 Total outlays (gross)	493	784	535

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources		-6	-6
88.40 Non-Federal sources	-27	-21	-21
88.90 Total, offsetting collections (cash)	-27	-27	-27

Net budget authority and outlays:

89.00 Budget authority	485	751	514
90.00 Outlays	466	757	508
91.90 Unpaid obligations, end of year: Deficiency	79		

Distribution of budget authority by account:

Wildland fire management	211	529	514
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Distribution of outlays by account:

Wildland fire management	3	515	495
Forest Service fire protection	259		
Emergency Forest Service firefighting fund	203		

Wildland fire management.—This appropriation provides funding for Forest Service fire management, presuppression, 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 Operation 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 Operation 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 requests \$5.8 billion in government-wide contingent funding for 1998, which represents the 1991–1997 average annual emergency spending under the BEA. This fund will be available to this and other accounts as the need arises. Please see the Emergency Requirements for Natural Disasters account in the Funds Appropriated to the President Chapter for more detailed information. The requested amount for future years will be based on average annual emergency funding under the BEA.

The base programs, such as Wildland Fire Management, will have access to the proposed contingency fund once all current appropriations in the affected account/accounts have been obligated, and a Presidential decision has been made to make additional funds available. The fund is meant to be flexible enough to respond to a variety of disasters and thus does not reserve to dedicate specific amounts within the total for the eligible programs. The flexibility of the fund is essential to meet the full range of Federal disaster funding requirements.

Object Classification (in millions of dollars)

Identification code 12–1115–0–1–302	1996 actual	1997 est.	1998 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	80	83	81
11.3 Other than full-time permanent	18	18	18
11.5 Other personnel compensation	62	65	63
11.8 Special personal services payments	18	19	19
11.9 Total personnel compensation	178	185	181
12.1 Civilian personnel benefits	79	83	81
13.0 Benefits for former personnel	18	18	18
21.0 Travel and transportation of persons	38	20	10
22.0 Transportation of things	9	5	2
23.1 Rental payments to GSA	2	2	2
23.2 Rental payments to others	5	3	1
23.3 Communications, utilities, and miscellaneous charges	22	12	6
24.0 Printing and reproduction	1	1	.....
25.2 Other services	135	372	187
26.0 Supplies and materials	79	42	21
31.0 Equipment	13	7	4
32.0 Land and structures	1	.....	.....
41.0 Grants, subsidies, and contributions	1	.....	.....
42.0 Insurance claims and indemnities	2	1	1
99.0 Subtotal, direct obligations	583	751	514
99.0 Reimbursable obligations	27	27	27

99.9 Total obligations	610	778	541
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Personnel Summary

Identification code 12–1115–0–1–302	1996 actual	1997 est.	1998 est.
Total compensable workyears:			
1001 Full-time equivalent employment	5,909	5,953	5,998
1005 Full-time equivalent of overtime and holiday hours	2,507	2,613	2,546

PAYMENTS TO STATES—NORTHERN SPOTTED OWL GUARANTEE

Program and Financing (in millions of dollars)

Identification code 12–1117–0–1–806	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	130	125
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	130	125
23.95 New obligations	–130	–125
New budget authority (gross), detail:			
60.05 Appropriation (indefinite)	130	125
Change in unpaid obligations:			
73.10 New obligations	130	125
73.20 Total outlays (gross)	–130	–125
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	130	125
Net budget authority and outlays:			
89.00 Budget authority	130	125
90.00 Outlays	130	125

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.

SOUTHEAST ALASKA ECONOMIC DISASTER FUND

Program and Financing (in millions of dollars)

Identification code 12–1108–0–1–451	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	50	47	13
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:	.....	.....	.....
Uninvested balance .....	.....	60	13
22.00 New budget authority (gross)	110	.....	.....
23.90 Total budgetary resources available for obligation	110	60	13
23.95 New obligations	–50	–47	–13
24.40 Unobligated balance available, end of year:	.....	.....	.....
Uninvested balance	60	13	.....
New budget authority (gross), detail:			
40.00 Appropriation	110	.....	.....
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:	.....	.....	.....
Appropriation .....	.....	27	27
73.10 New obligations	50	47	13
73.20 Total outlays (gross)	–23	–47	–20
74.40 Unpaid obligations, end of year: Obligated balance:	.....	.....	.....
Appropriation	27	27	20
Outlays (gross), detail:			
86.90 Outlays from new current authority	23	.....	.....
86.93 Outlays from current balances .....	.....	47	20
87.00 Total outlays (gross)	23	47	20

General and special funds—Continued

SOUTHEAST ALASKA ECONOMIC DISASTER FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-1108-0-1-451	1996 actual	1997 est.	1998 est.
Net budget authority and outlays:			
89.00 Budget authority	110		
90.00 Outlays	23	47	20

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 1998. 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 per centum 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 per centum 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, 1997.*)

Unavailable Collections (in millions of dollars)

Identification code 12-5207-0-2-302	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year	2	2	2
Receipts:			
02.01 Cooperative range improvements	4	3	3
04.00 Total: Balances and collections	6	5	5
Appropriation:			
05.01 Range betterment fund	-4	-3	-3
07.99 Total balance, end of year	2	2	2

Program and Financing (in millions of dollars)

Identification code 12-5207-0-2-302	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations	4	4	3
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	2	1	
22.00 New budget authority (gross)	3	3	3
23.90 Total budgetary resources available for obligation	5	4	3
23.95 New obligations	-4	-4	-3
24.40 Unobligated balance available, end of year:			
Uninvested balance	1		
New budget authority (gross), detail:			
40.25 Appropriation (special fund, indefinite)	4	3	3
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	1	1	1
73.10 New obligations	4	4	3
73.20 Total outlays (gross)	-5	-3	-3
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	1	1	2
Outlays (gross), detail:			
86.90 Outlays from new current authority	4	3	3
86.93 Outlays from current balances	1		
87.00 Total outlays (gross)	5	3	3

Net budget authority and outlays:			
89.00 Budget authority	3	3	3
90.00 Outlays	5	3	3

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	1996 actual	1997 est.	1998 est.
Personnel compensation:			
11.1 Full-time permanent	1	1	1
11.3 Other than full-time permanent	1		
11.9 Total personnel compensation	2	1	1
25.2 Other services	1	1	1
26.0 Supplies and materials	1	2	1
99.9 Total obligations	4	4	3

Personnel Summary

Identification code 12-5207-0-2-302	1996 actual	1997 est.	1998 est.
Total compensable workyears:			
1001 Full-time equivalent employment	55	46	45
1005 Full-time equivalent of overtime and holiday hours	2	2	2

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. 4601-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the Forest Service, \$40,575,000, 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, \$42,336,000, 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 555), \$41,057,000; 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, 1997.)

Unavailable Collections (in millions of dollars)

Identification code 12-9923-0-2-300	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year		1	1
Receipts:			
02.01 National forest lands under special acts	2	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	1996 actual	1997 est.	1998 est.	
Obligations by program activity:				
10.00	Total obligations	40	40	41
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year:			
	Uninvested balance	12	13	15
22.00	New budget authority (gross)	41	42	42
23.90	Total budgetary resources available for obligation	53	55	57
23.95	New obligations	-40	-40	-41
24.40	Unobligated balance available, end of year:			
	Uninvested balance	13	15	16
New budget authority (gross), detail:				
Appropriation (special fund, definite):				
40.20	Appropriation (LWCF)	40	41	41
40.20	Appropriation (special fund, definite)	1	1	1
43.00	Appropriation (total)	41	42	42
70.00	Total new budget authority (gross)	41	42	42
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Appropriation	25	15	7
73.10	New obligations	40	40	41
73.20	Total outlays (gross)	-50	-48	-45
74.40	Unpaid obligations, end of year: Obligated balance:			
	Appropriation	15	7	3
Outlays (gross), detail:				
86.90	Outlays from new current authority	25	36	36
86.93	Outlays from current balances	25	12	9
87.00	Total outlays (gross)	50	48	45
Net budget authority and outlays:				
89.00	Budget authority	41	42	42
90.00	Outlays	49	48	45
Distribution of budget authority by account:				
	Land acquisition accounts			42
	Land Acquisition	39	40	
	Acquisition of Lands for National Forest, Special Acts	1	1	
Distribution of outlays by account:				
	Land acquisition accounts			
	Land Acquisition	48		
	Acquisition of Lands for National Forest, Special Acts	1		
	Acquisition of Lands To Complete Land Exchanges	1		

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 the 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 the 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.

Object Classification (in millions of dollars)

Identification code 12-9923-0-2-300	1996 actual	1997 est.	1998 est.	
11.1	Personnel compensation: Full-time permanent	5	5	5
12.1	Civilian personnel benefits	1	1	1
21.0	Travel and transportation of persons	1		
32.0	Land and structures	33	34	35
99.9	Total obligations	40	40	41

Personnel Summary

Identification code 12-9923-0-2-300	1996 actual	1997 est.	1998 est.	
Total compensable workyears:				
1001	Full-time equivalent employment	121	120	122
1005	Full-time equivalent of overtime and holiday hours	1	1	1

FOREST SERVICE RECEIPTS

The following tables describe the sources and uses of Forest Service collections from the perspective of the total Forest Service program. The earnings table is a significant measure of the level of program activity in a given year. The disposition table shows the distribution of collections among the various funds and accounts in the context of the overall program. The earnings data are presented on the basis of gross collections and credits. These data may differ from amounts in receipt accounts, which are recorded on a cash basis, net of transfers and adjustments.

Receipts are collected from the sale and use of resources in the National Forests and the National Grasslands. Some receipts, including those for trust funds, are used directly for programs under a permanent appropriation. Other receipts are appropriated annually by Congress, collected and transferred to other Federal agencies, or deposited in the General Fund of the U.S. Treasury, as indicated below.

EARNINGS

(In millions of dollars)

	1996 Actual	1997 Est.	1998 Est.
Collections from National Forests:			
Power	2	2	2
Minerals	2	2	2
Land Uses	4	12	18
Timber	378	361	365
Brush Disposal	18	37	32
Recreation	48	48	48
Other	153	151	152
Credits from National Forests:			
Purchaser Constructed Roads	[41]	[55]	
Total earnings, National Forests	605	613	618
Collections from National Grasslands:			
Minerals	15	23	24
Grazing	1	1	1
Other		1	1
Total earnings, National Grasslands	16	24	25
Other Collections:			
Cooperative Work Other	43	53	53
Amounts included above that are collected by other Federal Agencies for the Forest Service:			
Department of Interior (from Land and Water Conservation Fund for land acquisition)	37	37	30
Department of Treasury (from customs duties for Reforestation Trust Fund)	30	30	30
Collected by Forest Service for the Department of the Interior (Oregon and California Lands)	11	11	11

DISPOSITION OF RECEIPTS

(Program level in millions of dollars)

	1996 Actual	1997 Est.	1998 Est.
Permanent Special Fund Appropriations:			
Timber Salvage Fund	195	190	100

General and special funds—Continued

FOREST SERVICE RECEIPTS—Continued

DISPOSITION OF RECEIPTS—Continued

(Program level in millions of dollars)

	1996 Actual	1997 Est.	1998 Est.
Brush Disposal	18	37	32
Timber Roads, Purchaser Election	6	6	6
Recreation Fee Collection Costs	2	2	2
Recreation Fee Demonstration Program			3
Payments to States and Counties ¹	279	125	127
Operation and Maintenance of Quarters	6	8	7
Road and Trail Construction		66	
Forest Ecosystem Restoration and Maintenance Fund (proposed)			121
Permanent Trust Fund Appropriations:			
Cooperative Work Trust Fund (KV)	153	219	198
Cooperative Work Other	43	53	53
Reforestation Trust Fund	30	30	30
Available from Annual Appropriations:			
Range Betterment Fund	4	3	3
National Forest System:			
Recreation Facilities Maintenance	6	6	6
Midewan Tallgrass Prairie			
Land Acquisition	40	42	42
Deposits to the General Fund:			
National Grasslands Receipts	4	15	12
National Forest Receipts	68	82	95

¹ Additional payments in 1997 and 1998 are through the Payments to States—Northern Spotted Owl Guarantee account.

FOREST SERVICE PERMANENT APPROPRIATIONS

Unavailable Collections (in millions of dollars)

Identification code 12-9921-0-2-999	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year	361	294	306
Receipts:			
02.01 National forests fund, Agriculture	-79		
02.03 Payments to States, National Forest Fund	274	124	125
02.04 Timber roads, purchaser elections	6	6	4
02.05 Road and trails for States, National Forest Fund	36	66	66
02.06 Timber salvage sales	181	167	155
02.07 Deposits, brush disposal	18	37	32
02.08 Recreational fee demonstration program		3	16
02.09 Rents and charges for quarters	6	7	7
02.10 National Grasslands	12	5	6
02.11 Miscellaneous special funds, Forest Service	6	3	3
02.12 National forests fund, Interior	10	9	10
02.13 Road and trails for States, National Forest Fund, legislative proposal			67
02.14 Timber salvage sales, legislative proposal			-67
02.99 Total receipts	470	427	424
04.00 Total: Balances and collections	831	721	730
Appropriation:			
05.01 Forest Service permanent appropriations	-537	-415	-411
05.02 Forest Service permanent appropriations, legislative proposal			-16
05.99 Subtotal appropriation	-537	-415	-427
07.99 Total balance, end of year	294	306	303

Program and Financing (in millions of dollars)

Identification code 12-9921-0-2-999	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Payments to States, National forest fund	272	122	122
00.02 Payment to Minnesota	1	1	1
00.03 Payments to counties, National Grasslands	4	4	4
00.04 Recreation fee collection costs	1	1	1
00.05 Recreation demonstration pilot project		3	
00.06 Timber purchaser roads constructed by Forest Service	3	6	4
00.07 Timber salvage sales	204	203	154
00.08 Roads and trails for States	36	66	66
00.09 Expenses, brush disposal	25	37	32
00.10 Restoration of forest lands and improvements	1	1	1
00.11 Operation and maintenance of quarters	6	7	7
10.00 Total obligations	555	451	392

Budgetary resources available for obligation:

21.40 Unobligated balance available, start of year:			
Uninvested balance	287	269	233
22.00 New budget authority (gross)	537	415	411
23.90 Total budgetary resources available for obligation	824	684	644
23.95 New obligations	-555	-451	-392
24.40 Unobligated balance available, end of year:			
Uninvested balance	269	233	252

New budget authority (gross), detail:

60.25 Appropriation (special fund, indefinite)	537	415	411
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Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	33	33	33
73.10 New obligations	555	451	392
73.20 Total outlays (gross)	-555	-451	-392
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	33	33	33

Outlays (gross), detail:

86.97 Outlays from new permanent authority	487	415	392
86.98 Outlays from permanent balances	68	36	
87.00 Total outlays (gross)	555	451	392

Net budget authority and outlays:

89.00 Budget authority	537	415	411
90.00 Outlays	555	451	392

Distribution of budget authority by account:

Payments to States, National Forest Fund	279	122	122
Payment to Minnesota	1	1	1
Payments to counties, National Grasslands	4	4	4
Recreation fee collection costs	1	1	1
Recreation fee demonstration program	0	3	
Timber purchaser roads constructed by Forest Service	6	6	6
Roads and Trails for States	36	66	66
Timber salvage sales	181	167	171
Expenses, brush disposal	18	37	32
Restoration of Forestlands and Improvements	5	1	1
Operation and Maintenance of Quarters	6	7	7

Distribution of outlays by account:

Payments to States, National Forest Fund	272	122	122
Payment to Minnesota	1	1	1
Payments to counties, National Grasslands	4	4	4
Recreation fee collection costs	1	1	1
Recreation fee demonstration program	0	3	
Timber purchaser roads constructed by Forest Service	3	6	4
Timber salvage sales	204	203	154
Roads and Trails for States	36	66	66
Expenses, brush disposal	25	37	32
Restoration of Forestlands and Improvements	1	1	1
Operation and Maintenance of Quarters	6	7	7

Summary of Budget Authority and Outlays

(in millions of dollars)

	1996 actual	1997 est.	1998 est.
Enacted/requested:			
Budget Authority	537	415	411
Outlays	555	451	392
Legislative proposal, subject to PAYGO:			
Budget Authority			16
Outlays			16
Total:			
Budget Authority	537	415	427
Outlays	555	451	408

Fees, operation and maintenance of recreation facilities.—Fees collected at developed recreation facilities; 50 percent of the fees collected are available for use, when appropriated, for operation and maintenance of fee facilities.

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, reconstruct-

tion, 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, amounts collected at the fee demonstration areas, sites, or projects are available for maintenance and development of recreation facilities.

Midewin National Tallgrass Prairie rental fee account.—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.

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).

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 forest lands 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)).

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).

Forest Ecosystem Restoration and Maintenance Fund (FERM).—Proposed legislation, to be transmitted later, would transfer an estimated \$55 million of receipts from the Salvage Sale Fund to the new Forest Ecosystem Restoration and Maintenance Fund, which would fund a broad range of ecosystem enhancements. The proposed legislation also would direct that receipts collected in the Road and Trail Fund (10 percent of National Forest System revenues) be transferred in 1998 and subsequent years to the new FERM.

Timber salvage sales.—Funds salvage timber sale preparation. Expenditures from the timber salvage sale fund for preparing and offering new sales are limited to \$100 million for 1998.

Purchaser Road Credits.—The budget eliminates purchaser road credits beginning in 1998. 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. This result is simpler to administer.

Object Classification (in millions of dollars)

Identification code 12–9921–0–2–999	1996 actual	1997 est.	1998 est.
11.1 Personnel compensation: Full-time permanent	209	179	169
12.1 Civilian personnel benefits	37	32	30
41.0 Grants, subsidies, and contributions	309	240	193
99.9 Total obligations	555	451	392

Personnel Summary

Identification code 12–9921–0–2–999	1996 actual	1997 est.	1998 est.
1001 Total compensable workyears: Full-time equivalent employment	4,177	3,912	3,352

FOREST SERVICE PERMANENT APPROPRIATIONS
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 12–9921–4–2–999	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.05 Recreation demonstration pilot project			16
10.00 Total obligations (object class 25.4)			16
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			16
23.95 New obligations			–16
New budget authority (gross), detail:			
60.25 Appropriation (special fund, indefinite)			16
Change in unpaid obligations:			
73.10 New obligations			16
73.20 Total outlays (gross)			–16
Outlays (gross), detail:			
86.97 Outlays from new permanent authority			16
Net budget authority and outlays:			
89.00 Budget authority			16

General and special funds—Continued

FOREST SERVICE PERMANENT APPROPRIATIONS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 12-9921-4-2-999	1996 actual	1997 est.	1998 est.
90.00 Outlays			16

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 and, upon enactment of the authorization, a budget amendment to the current appropriations language will be proposed to make the fees available for expenditure. Because the current requirements of the Budget Enforcement Act of 1990 make it difficult to fund discretionary programs with receipts that are not authorized in appropriations acts, the Administration is proposing a change in the requirements to facilitate the enactment of proposals such as this one.

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing (in millions of dollars)

Identification code 12-4605-0-4-302	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
00.01 Operating expenses	136	73	73
00.02 Capital investment	58	66	58
10.00 Total obligations	194	139	131
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	119	138	141
22.00 New budget authority (gross)	213	142	134
23.90 Total budgetary resources available for obligation	332	280	275
23.95 New obligations	-194	-139	-131
24.90 Unobligated balance available, end of year: Fund balance	138	141	144
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	213	142	134
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance: Fund balance	75	41	38
73.10 New obligations	194	139	131
73.20 Total outlays (gross)	-228	-142	-134
74.90 Unpaid obligations, end of year: Obligated balance: Fund balance	41	38	35
Outlays (gross), detail:			
86.93 Outlays from current balances	119		
86.97 Outlays from new permanent authority	109	142	134
87.00 Total outlays (gross)	228	142	134
Offsets:			
88.00 Against gross budget authority and outlays: Offsetting collections (cash) from: Federal sources	-213	-142	-134
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	14		

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.

The 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.

Supply Services.—The fund operates the following common services:

Photo reproduction laboratories that store, reproduce, and supply aerial photographs, aerial maps, and other photographs of National Forest lands. The 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. The signs are sold to National Forests and experiment stations at cost.

Subsistence services that prepare and serve meals to Forest Service crews working in areas where adequate public restaurant facilities are not available.

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	1995 actual	1996 actual	1997 est.	1998 est.
0101 Revenue	156	152	140	134
0102 Expense	-110	-136	-139	-131
0109 Net income	46	16	1	3

Balance Sheet (in millions of dollars)

Identification code 12-4605-0-4-302	1995 actual	1996 actual	1997 est.	1998 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	193	198	203	208
Investments in US securities:				
1106 Receivables, net	17			
Other Federal assets:				
1802 Inventories and related properties	27	28	28	29
1803 Property, plant and equipment, net	261	329	359	389
1999 Total assets	498	555	590	626
LIABILITIES:				
2102 Federal liabilities: Interest payable	1			
2201 Non-Federal liabilities: Accounts payable	11	13	13	13
2999 Total liabilities	12	13	13	13
NET POSITION:				
3300 Cumulative results of operations	484	542	577	613
3999 Total net position	484	542	577	613

4999	Total liabilities and net position	496	555	590	626
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Cooperative Work trust fund	437	219	198
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Object Classification (in millions of dollars)

Identification code 12-4605-0-4-302	1996 actual	1997 est.	1998 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	2	1	1
25.2 Other services	30	16	16
26.0 Supplies and materials	28	20	20
31.0 Equipment	130	98	90
99.0 Subtotal, reimbursable obligations	194	139	131
99.9 Total obligations	194	139	131

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	1996 actual	1997 est.	1998 est.
Personnel compensation:			
11.1 Full-time permanent	71	76	67
11.3 Other than full-time permanent	11	12	10
11.5 Other personnel compensation	4	4	4
11.9 Total personnel compensation	86	92	81
12.1 Civilian personnel benefits	19	21	18
13.0 Benefits for former personnel	3	3	2
21.0 Travel and transportation of persons	2	4	3
22.0 Transportation of things	1	1	1
23.1 Rental payments to GSA	2	2	2
23.2 Rental payments to others	3	4	3
23.3 Communications, utilities, and miscellaneous charges	4	6	6
25.2 Other services	312	119	112
26.0 Supplies and materials	21	30	27
31.0 Equipment	3	4	4
32.0 Land and structures	4	7	6
41.0 Grants, subsidies, and contributions	1	1	1
44.0 Refunds	1	1	1
99.9 Total obligations	461	295	267

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	1996 actual	1997 est.	1998 est.
Balance, start of year:			
01.99 Balance, start of year			
Receipts:			
02.01 Forest Service Cooperative fund	201	196	204
02.02 Transfers from general fund of amounts equal to certain customs duties	30	30	30
02.99 Total receipts	231	226	234
Appropriation:			
05.01 Forest Service trust funds	-231	-226	-234
07.99 Total balance, end of year			

Program and Financing (in millions of dollars)

Identification code 12-9974-0-7-302	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations	461	295	267
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	412	182	113
22.00 New budget authority (gross)	231	226	234
23.90 Total budgetary resources available for obligation	643	416	349
23.95 New obligations	-461	-295	-267
24.40 Unobligated balance available, end of year:			
Uninvested balance	182	113	80
New budget authority (gross), detail:			
60.27 Appropriation (trust fund, indefinite)	231	226	234
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	59	52	102
73.10 New obligations	461	295	267
73.20 Total outlays (gross)	-468	-245	-247
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	52	102	122
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	231	226	234
86.98 Outlays from permanent balances	237	19	13
87.00 Total outlays (gross)	468	245	247
Net budget authority and outlays:			
89.00 Budget authority	231	226	234
90.00 Outlays	467	245	247
Distribution of budget authority by account:			
Reforestation trust fund	30	30	30
Cooperative Work trust fund	201	151	152
Distribution of outlays by account:			
Reforestation trust fund	30	30	30

Personnel Summary

Identification code 12-9974-0-7-302	1996 actual	1997 est.	1998 est.
Total compensable workyears:			
1001 Full-time equivalent employment	2,638	2,842	3,046
1005 Full-time equivalent of overtime and holiday hours	104	143	120

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: (a) purchase of not to exceed 159 passenger motor vehicles of which [14] 22 will be used primarily for law enforcement purposes and of which [149] 156 shall be for replacement; acquisition of [10] 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] sufficient aircraft from excess sources to maintain the operable fleet at 198 aircraft for use in State and 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; (b) services pursuant to 7 U.S.C. 2225, and not to exceed \$100,000 for employment under 5 U.S.C. 3109; (c) purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (d) acquisition of land, waters, and interests therein, pursuant to 7 U.S.C. 428a; (e) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C. 558a, 558d, 558a note); [and] (f) *the cost of uniforms as authorized by 5 U.S.C. 5901-5902; and (g) 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, or to implement any reorganization, "reinvention" or other type of organizational restructuring of the Forest Service, other than the relocation of the Regional Office for Region 5 of the Forest Service from San Francisco to excess military property at Mare Island, Vallejo, California, without the consent of the House and Senate Committees on Appropriations.]

[Any funds available to the Forest Service may be used for retrofitting Mare Island facilities to accommodate the relocation: *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.]

Any appropriations or funds available to the Forest Service may be advanced to the Wildland Fire Management appropriation and may be used for forest firefighting and the emergency rehabilitation of burned-over lands under its jurisdiction.

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 House Report 103-551.]

[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 House Report 103-551.]

[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 the law, 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, 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 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, 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, funds up to \$1,000,000 for matching funds shall be available for the National Forest Foundation on a one-for-one basis to match private contributions for projects on or benefitting National Forest System lands or related to Forest Service programs. *Section 405(b) and section 410(b) are further amended as follows: delete "for a period of five years beginning October 1, 1992".*

Pursuant to section 2(b)(2) of Public Law 98-244, up to \$1,000,000 of the funds available to the Forest Service shall be available for matching funds, as authorized in 16 U.S.C. 3701-3709, on a one-for-one basis to match private contributions for projects on or benefitting National Forest System lands or related to Forest Service programs.

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.

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).

[The Secretary of Agriculture shall by March 31, 1997 report to the Committees on Appropriations of the House of Representatives and the Senate on the status and disposition of all salvage timber sales started under the authority of Section 2001 of Public Law 104-19 and subsequently withdrawn or delayed and completed under different authorities as a consequence of the July 2, 1996 directive on the implementation of Section 2001 issued by the Secretary.]

[The Pacific Northwest Research Station Silviculture Laboratory in Bend, Oregon is hereby named the "Robert W. Chandler Building".]

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.] (*Department of the Interior and Related Agencies Appropriations Act, 1997.*)

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

	1996 actual	1997 est.	1998 est.
Offsetting receipts from the public:			
12-181100 National grasslands	4	15	12
12-222100 National forest fund	68	82	95
General Fund Offsetting receipts from the public	72	97	107

OTHER CONSOLIDATED RECEIPT ACCOUNTS

(in millions of dollars)

	1996 actual	1997 est.	1998 est.
12-977210 Miscellaneous contributed funds	22		

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 [1997] 1998 under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed [667] 394 passenger motor vehicles, of which [643] 391 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 [therefore] 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 1996 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, as amended (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 of 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 [1997] 1998 shall remain available until expended to cover obligations made in fiscal year [1997] 1998 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 [1997] 1998 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

[SEC. 716. (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 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% 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. None of the funds appropriated or otherwise made available by this Act may be used to provide food stamp benefits to households whose benefits are calculated using a standard deduction greater than the standard deduction in effect for fiscal year 1995.]

SEC. 720. 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. 721. None of the funds appropriated or otherwise made available by this Act, or made available through the Commodity Credit Corporation, shall be used to enroll in excess of 130,000 acres in the fiscal year 1997 wetlands reserve program, as authorized by section 3837 of title 16, United States Code: *Provided*, That additional acreage may be enrolled in the program to the extent that non-Federal funds available to the Secretary are used to fully compensate for the cost of additional enrollments: *Provided further*, That the condition on enrollments provided in section 1237(b)(2)(B) of the Food Security Act of 1985, as amended (16 U.S.C. 3837(b)(2)(B)) shall be deemed met upon the enrollment of 43,333 acres through the use of temporary easements: *Provided further*, That the Secretary shall not enroll acres in the wetlands reserve program through the use of new permanent easements in fiscal year 1998 until the Secretary has enrolled at least 31,667 acres in the program through the use of temporary easements.]

SEC. 722. 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. 723. 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 \$100,000,000.]

SEC. 724. 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 a farmland protection program in excess of \$2,000,000 authorized by section 388 of Public Law 104-127.]

SEC. 725. 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 a conservation farm option program in excess of \$2,000,000 authorized by section 335 of Public Law 104-127.]

SEC. 726. None of the funds made available in this Act may be used to pay the salaries of employees of the Department of Agriculture who make payments pursuant to a production flexibility contract entered into under section 111 of the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104-127; 7 U.S.C. 7211) when it is made known to the Federal official having authority to obligate or expend such funds that the land covered by that production flexibility contract is not being used for the production of an agricultural commodity or is not devoted to a conserving use, unless it is also made known to that Federal official that the lack of agricultural production or the lack of a conserving use is a consequence of drought, flood, or other natural disaster].

SEC. 727. None of the funds appropriated or otherwise made available by this Act shall be used to extend any existing or expiring

contract in the Conservation Reserve Program authorized by 16 U.S.C. 3831-3845.]

SEC. 728. 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. 729. Hereafter, funds appropriated to the Department of Agriculture may be used for incidental expenses such as transportation, uniforms, lodging, and subsistence for volunteers serving under the authority of 7 U.S.C. 2272, when such volunteers are engaged in the work of the United States Department of Agriculture; and for promotional items of nominal value relating to the United States Department of Agriculture Volunteer Programs.]

SEC. 730. 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. 731. Section 747 of the Federal Agriculture Improvement and Reform Act of 1996 is amended by inserting, "effective October 1, 1996," following "The Secretary shall make grants" in section 310B(e)(2) of the Consolidated Farm and Rural Development Act: *Provided*, That this section shall take effect upon enactment of this Act into law.]

SEC. 732. LABELING OF RAW POULTRY PRODUCTS.—

(a) IN GENERAL.—Notwithstanding any other provision of law, none of the funds appropriated or otherwise made available by this Act may be used to implement or enforce the final rule related to the labeling of raw poultry products promulgated by the Food Safety and Inspection Service on August 25, 1995 (60 Fed. Reg. 44395), and the final rule shall not be effective during fiscal year 1997.

(b) FINAL RULE.—Not later than 90 days after the date of enactment of this Act, the Secretary of Agriculture shall issue a revised final rule related to the labeling of raw poultry products that—

(1) maintains the standard that the term "fresh" may be used only for raw poultry products the internal core temperature of which has not fallen below 26° Fahrenheit;

(2) deletes the requirement that poultry products the internal core temperature of which has ever been less than 26° Fahrenheit, but more than 0° Fahrenheit, be labeled as "hard chilled" or "previously hard chilled", except that—

(A) the products shall be prohibited under the rule from being labeled as "fresh" but shall not be required to bear any specific alternative labeling; and

(B) nothing in this section shall be interpreted as modifying the requirements for labeling of all poultry products the internal core temperature of which has ever fallen to 0° Fahrenheit as "frozen";

(3) provides for a tolerance from the 26° Fahrenheit standard established by the rule of—

(A) 1° Fahrenheit for poultry products within an official processing establishment;

(B) 2° Fahrenheit for poultry products in commerce;

(4) exempts from temperature testing wings, tenders, hearts, livers, gizzards, necks, and products that undergo special processing, such as sliced poultry products; and

(5) in all other terms and conditions (including the period of time permitted for implementation) is substantively identical to the rule referred to in subsection (a).

(c) REVISED LABELING STANDARDS.—Not later than 60 days after the issuance of a revised final rule under subsection (b), the Secretary of Agriculture, acting through the Administrator of the Food Safety and Inspection Service, shall issue a compliance directive for the enforcement of the revised labeling standards established by the rule, including standards for—

(1) temperature testing that are based on measurements at the center of the deepest muscle; and

(2) sampling methods that ensure that the average of individual temperatures within poultry product lots of each specific product type (such as whole birds, whole muscle leg products, and whole muscle breast products) meet the standards.

(d) SEVERABILITY.—If any provision of this section or the application thereof to any person or circumstance is held invalid, the validity of the remainder of this section and of the application of the provision to any other persons or circumstances shall not be affected.]

SEC. 733. Hereafter, notwithstanding any other provision of law, any domestic fish or fish product produced in compliance with food safety standards or procedures accepted by the Food and Drug Ad-

ministration as satisfying the requirements of the "Procedures for the Safe and Sanitary Processing and Importing of Fish and Fish Products" (published by the Food and Drug Administration as a final regulation in the *Federal Register* of December 18, 1995), shall be deemed to have met any inspection requirements of the Department of Agriculture or other Federal agency for any Federal commodity purchase program, including the program authorized under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) except that the Department of Agriculture or other Federal agency may utilize lot inspection to establish a reasonable degree of certainty that fish or fish products purchased under a Federal commodity purchase program, including the program authorized under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), meet Federal product specifications.]

[SEC. 734. RURAL HOUSING PROGRAM EXTENSIONS.—

(a) EXTENSION OF MULTIFAMILY RURAL HOUSING LOAN PROGRAM.—

(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, 1996" and inserting "September 30, 1997".

(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 1996" and inserting "fiscal year 1997".

(b) EXTENSION OF 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 1996" and inserting "fiscal year 1997".

(c) REFORMS FOR MULTIFAMILY RURAL HOUSING LOAN PROGRAM.—

(1) LIMITATION ON PROJECT TRANSFERS.—Section 515 of the Housing Act of 1949 (42 U.S.C. 1485) is amended by inserting after subsection (g) the following new subsection:

"(h) PROJECT TRANSFERS.—After the date of the enactment of the Act entitled 'An Act making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes', the ownership or control of a project for which a loan is made or insured under this section may be transferred only if the Secretary determines that such transfer would further the provision of housing and related facilities for low-income families or persons and would be in the best interests of residents and the Federal Government."

(2) EQUITY LOANS.—Section 515(t) of the Housing Act of 1949 (42 U.S.C. 1485(t)) is amended—

(A) by striking paragraphs (4) and (5); and

(B) by redesignating paragraphs (6) through (8) as paragraphs (4) through (6), respectively.

(3) EQUITY TAKEOUT LOANS TO EXTEND LOW-INCOME USE.—

(A) AUTHORITY AND LIMITATION.—Section 502(c)(4)(B)(iv) of the Housing Act of 1949 (42 U.S.C. 1472(c)(4)(B)(iv)) is amended by inserting before the period at the end the following: "or under paragraphs (1) and (2) of section 514(j), except that an equity loan referred to in this clause may not be made available after the date of the enactment of the Act entitled 'An Act making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes', unless the Secretary determines that the other incentives available under this subparagraph are not adequate to provide a fair return on the investment of the borrower, to prevent prepayment of the loan insured under section 514 or 515, or to prevent the displacement of tenants of the housing for which the loan was made".

(B) APPROVAL OF ASSISTANCE.—Section 502(c)(4)(C) of the Housing Act of 1949 (42 U.S.C. 1472(c)(4)(C)) is amended by striking "(C)" and all that follows through "provided—" and inserting the following:

"(C) APPROVAL OF ASSISTANCE.—The Secretary may approve assistance under subparagraph (B) for assisted housing only if the restrictive period has expired for any loan for the housing made or insured under section 514 or 515 pursuant to a contract entered into after December 21, 1979, but before the date of the enactment of the Department of Housing and Urban Development Reform Act of 1989, and the Secretary determines that the combination of assistance provided—"

(C) TECHNICAL CORRECTION.—Section 515(c)(1) of the Housing Act of 1949 (42 U.S.C. 1485(c)(1)) is amended by striking "December 21, 1979" and inserting "December 15, 1989".

(d) REFORM OF SECTION 515.—Section 515 of the Housing Act of 1949 (42 U.S.C. 1485) is amended—

(1) by striking subsection (r) and inserting the following:

"(r)(1) The Secretary—

"(A) may require that the initial operating reserve under this section may be in the form of an irrevocable letter of credit; and

"(B) except as provided in paragraph (2), may require not more than a 3 percent contribution to equity, except that the Secretary shall require a 5 percent contribution in the case of a project that is allocated a low-income housing tax credit pursuant to section 42 of the Internal Revenue Code of 1986.

"(2) The Secretary may adjust the amount of equity contribution to ensure that assistance provided is not more than is necessary to provide affordable housing after taking account of assistance from all Federal, State, and local sources.

"(3) Not later than 60 days after the date of enactment of the Act entitled 'An Act making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes', the Secretary shall issue regulations to implement subsection (r)(2) in accordance with the negotiated rulemaking procedures set forth in subchapter III of chapter 5 of title 5, United States Code: *Provided*, That if the negotiated rulemaking is not completed within the designated time, the Secretary shall proceed to promulgate regulations under the rulemaking authority contained in 5 U.S.C. 557."; and

(2) by striking subsection (z).

(e) EQUITY SKIMMING PENALTIES.—

(1) INSURANCE OF LOANS FOR THE PROVISION OF HOUSING AND RELATED FACILITIES FOR DOMESTIC FARM LABOR.—Section 514 of the Housing Act of 1949 (42 U.S.C. 1484) is amended by adding at the end the following new subsection:

"(j) EQUITY SKIMMING PENALTY.—Whoever, as an owner, agent, or manager, or who is otherwise in custody, control, or possession of property that is security for a loan made or insured under this section willfully uses, or authorizes the use, of any part of the rents, assets, proceeds, income, or other funds derived from such property, for any purpose other than to meet actual or necessary expenses of the property, or for any other purpose not authorized by this title or the regulations adopted pursuant to this title, shall be fined not more than \$250,000 or imprisoned not more than 5 years, or both."

(2) DIRECT AND INSURED LOANS TO PROVIDE HOUSING AND RELATED FACILITIES FOR ELDERLY PERSONS AND FAMILIES IN RURAL AREAS.—Section 515 of the Housing Act of 1949 (42 U.S.C. 1485), as amended by subsection (d)(2) of this section, is amended by adding at the end the following new subsection:

"(z) EQUITY SKIMMING PENALTY.—Whoever, as an owner, agent, or manager, or who is otherwise in custody, control, or possession of property that is security for a loan made or insured under this section willfully uses, or authorizes the use, of any part of the rents, assets, proceeds, income, or other fund derived from such property, for any purpose other than to meet actual or necessary expenses of the property, or for any other purpose not authorized by this title or the regulations adopted pursuant to this title, shall be fined not more than \$250,000 or imprisoned not more than 5 years, or both."

(f) PRIORITIZATION OF ASSISTANCE.—Section 532 of the Housing Act of 1949 (42 U.S.C. 1490l) is amended—

(1) in subsection (a), by striking "The Secretary" and inserting "Except as otherwise provided in subsection (c), the Secretary"; and

(2) by adding at the end the following new subsection:

"(c) PRIORITIZATION OF SECTION 515 HOUSING ASSISTANCE.—

"(1) IN GENERAL.—The Secretary shall make assistance under section 515 available pursuant to an objective procedure established by the Secretary, under which the Secretary shall identify counties and communities having the greatest need for such assistance and designate such counties and communities to receive such assistance.

"(2) OBJECTIVE MEASURES.—The Secretary shall use the following objective measures to determine the need for rental housing assistance under paragraph (1):

"(A) The incidence of poverty.

"(B) The lack of affordable housing and the existence of sub-standard housing.

"(C) The lack of mortgage credit.

“(D) The rural characteristics of the location.

“(E) Other factors as determined by the Secretary, demonstrating the need for affordable housing.

“(3) INFORMATION.—In administering this subsection, the Secretary shall use information from the most recent decennial census of the United States, relevant comprehensive affordable housing strategies under section 105 of the Cranston-Gonzalez National Affordable Housing Act, and other reliable sources obtained by the Secretary which demonstrate the need for affordable housing in rural areas.

“(4) DESIGNATION.—A designation under this subsection shall not be effective for a period of more than 3 years, but may be renewed by the Secretary in accordance with the procedure set forth in this subsection. The Secretary shall take such other reasonable actions as the Secretary considers to be appropriate to notify the public of such designations.”.]

[SEC. 735. DEPARTMENT OF AGRICULTURE VOLUNTARY SEPARATION INCENTIVE PAYMENTS.—

(a) DEFINITIONS.—For the purposes of this section—

(1) the term “agency” means the Department of Agriculture;

(2) the term “employee” means an employee (as defined by section 2105 of title 5, United States Code) who is employed by the agency (or an individual employed by a county committee established under section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5))), is serving under an appointment without time limitation, and has been currently employed for a continuous period of at least 3 years, but does not include—

(A) a reemployed annuitant under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the agency;

(B) an employee having a disability on the basis of which such employee is or would be eligible for disability retirement under the applicable retirement system referred to in subparagraph (A);

(C) an employee who is in receipt of a specific notice of involuntary separation for misconduct or unacceptable performance;

(D) an employee who, upon completing an additional period of service as referred to in section 3(b)(2)(B)(ii) of the Federal Workforce Restructuring Act of 1994 (5 U.S.C. 5597 note), would qualify for a voluntary separation incentive payment under section 3 of such Act;

(E) an employee who has previously received any voluntary separation incentive payment by the Federal Government under this section or any other authority and has not repaid such payment;

(F) an employee covered by statutory reemployment rights who is on transfer to another organization; or

(G) any employee who, during the twenty-four month period preceding the date of separation, has received a recruitment or relocation bonus under section 5753 of title 5, United States Code, or who, within the twelve month period preceding the date of separation, received a retention allowance under section 5754 of title 5, United States Code.

(b) AGENCY STRATEGIC PLAN.—

(1) IN GENERAL.—The head of the agency, prior to obligating any resources for voluntary separation incentive payments, shall submit to the House and Senate Committees on Appropriations and the Committee on Governmental Affairs of the Senate and the Committee on Government Reform and Oversight of the House of Representatives a strategic plan outlining the intended use of such incentive payments and a proposed organizational chart for the agency once such incentive payments have been completed.

(2) CONTENTS.—The agency’s plan shall include—

(A) the positions and functions to be reduced or eliminated, identified by organizational unit, geographic location, occupational category and grade level;

(B) the number and amounts of voluntary separation incentive payments to be offered; and

(C) a description of how the agency will operate without the eliminated positions and functions.

(c) AUTHORITY TO PROVIDE VOLUNTARY SEPARATION INCENTIVE PAYMENTS.—

(1) IN GENERAL.—A voluntary separation incentive payment under this section may be paid by an agency to any employee only to the extent necessary to eliminate the positions and functions identified by the strategic plan.

(2) AMOUNT AND TREATMENT OF PAYMENTS.—A voluntary separation incentive payment—

(A) shall be paid in a lump sum after the employee’s separation;

(B) shall be paid from appropriations or funds available for the payment of the basic pay of the employees;

(C) shall be equal to the lesser of—

(i) an amount equal to the amount the employee would be entitled to receive under section 5595(c) of title 5, United States Code; or

(ii) an amount determined by the agency head not to exceed \$25,000 in fiscal year 1997, \$20,000 in fiscal year 1998, \$15,000 in fiscal year 1999, or \$10,000 in fiscal year 2000;

(D) shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit; and

(E) shall not be taken into account in determining the amount of any severance pay to which the employee may be entitled under section 5595 of title 5, United States Code, based on any other separation.

(3) LIMITATION.—No amount shall be payable under this section based on any separation occurring before the date of the enactment of this Act, or after September 30, 2000.

(d) ADDITIONAL AGENCY CONTRIBUTIONS TO THE RETIREMENT FUND.—

(1) IN GENERAL.—In addition to any other payments which it is required to make under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, the agency shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund an amount equal to 15 percent of the final basic pay of each employee of the agency who is covered under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, to whom a voluntary separation incentive has been paid under this section.

(2) DEFINITION.—For the purpose of paragraph (1), the term “final basic pay”, with respect to an employee, means the total amount of basic pay which would be payable for a year of service by such employee, computed using the employee’s final rate of basic pay, and, if last serving on other than a full-time basis, with appropriate adjustment therefor.

(e) EFFECT OF SUBSEQUENT EMPLOYMENT WITH THE GOVERNMENT.—An individual who has received a voluntary separation incentive payment under this section and accepts any employment for compensation with the Government of the United States, or who works for any agency of the United States Government through a personal services contract, within 5 years after the date of the separation on which the payment is based shall be required to pay, prior to the individual’s first day of employment, the entire amount of the incentive payment to the agency that paid the incentive payment.

(f) REDUCTION OF AGENCY EMPLOYMENT LEVELS.—

(1) IN GENERAL.—The total number of funded employee positions in the agency shall be reduced by one position for each vacancy created by the separation of any employee who has received, or is due to receive, a voluntary separation incentive payment under this section. For the purposes of this subsection, positions shall be counted on a full-time-equivalent basis.

(2) ENFORCEMENT.—The President, through the Office of Management and Budget, shall monitor the agency and take any action necessary to ensure that the requirements of this subsection are met.

(g) EFFECTIVE DATE.—This section shall take effect October 1, 1996.]

[SEC. 736. INTERIM MORATORIUM ON BYPASS FLOWS.—

(a) MORATORIUM.—Section 389(a) of Public Law 104–127 is amended by striking “an 18-month” after the word “be” and inserting “a 20-month”.

(b) REPORT.—Section 389(d)(4) of Public Law 104–127 is amended by striking “1 year” after the word “than” and inserting “14 months”.

(c) EXTENSION FOR DELAY.—Section 389 of Public Law 104–127 is amended by adding at the end the following new subsection—

“(e) EXTENSION FOR DELAY.—There shall be a day-for-day extension to the 20-month moratorium required by subsection (a) and a day-for-day extension to the report required by subsection (d)(4)—

“(1) for every day of delay in implementing or establishing the Water Rights Task Force caused by a failure to nominate Task Force members by the Administration or by the Congress; or

“(2) for every day of delay caused by a failure by the Secretary of Agriculture to identify adequate resources as determined by the Secretary of Agriculture to carry out the purposes of the Task

Force.”.] (*Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997.*)