

THE WHITE HOUSE
WASHINGTON

July 15, 2005

Dear Mr. Speaker:

I ask the Congress to consider the enclosed FY 2006 budget amendments for the Departments of Agriculture and Health and Human Services; the Environmental Protection Agency; International Assistance Programs; the National Aeronautics and Space Administration; and the Small Business Administration. In total, these amendments would not increase the discretionary budget authority proposed in my FY 2006 Budget.

The details of these proposals are set forth in the enclosed letter from the Director of the Office of Management and Budget.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Dennis Hastert", written over a light blue rectangular background.

The Honorable J. Dennis Hastert
Speaker of the
House of Representatives
Washington, D.C. 20515

Enclosure



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 15, 2005

The President
The White House

Submitted for your consideration are requests for FY 2006 budget amendments for the Departments of Agriculture and Health and Human Services; the Environmental Protection Agency; International Assistance Programs; the National Aeronautics and Space Administration; and the Small Business Administration. The discretionary budget authority proposed in your FY 2006 Budget would not be increased by these amendments.

As described below and in more detail in the enclosures, the requests include the following:

Department of Agriculture

- A proposal that would provide \$75 million in funds to reimburse the Commodity Credit Corporation under the Bill Emerson Humanitarian Trust Act for the commodity costs of the emergency food aid release for Africa announced in June and for other prior releases. Resources for this proposal are provided through the transfer of funds from the P.L. 480 program and the cancellation of funds within the Department of Agriculture and Agency for International Development.

Department of Health and Human Services

- An increase of \$150 million is proposed for the Public Health and Social Services Emergency Fund for the procurement of pandemic influenza countermeasures. This increase is fully offset by a reduction and cancellation of funds in the Department of Health and Human Services, and a reduction in the Small Business Administration, as proposed in accompanying amendments.
- An increase of \$19 million is proposed for the Refugee and Entrant Assistance program to maintain access to cash and medical assistance for an expected increase in the number of refugees and other entrants accessing the program in FY 2006. In addition, the funding will support shelter and services for a projected 20-percent increase of children beyond estimates assumed in the FY 2006 Budget. This increase is fully offset by proposed reductions and a cancellation of funds in the Department of Health and Human Services, and a reduction in the Small Business Administration.

- A reduction of \$9 million is proposed for the Children and Families Services Programs due to revised reestimates of the amount needed for adoption incentive bonus payments to States in FY 2006.
- Language is proposed that would cancel \$21 million in unobligated balances and anticipated recoveries in the Health Resources and Services Administration's Health Professions Student Loan and Nursing Student Loan programs.

Environmental Protection Agency

- Language is proposed to clearly establish the intent of proposals in the FY 2006 Budget for the pesticide registration and tolerance fees, and pre-manufacture notice and test rule activities.

International Assistance Programs

- As noted earlier, a reduction of \$5 million in unobligated balances to the U.S. Agency for International Development's Development Assistance program is proposed as an offset to the replenishment of the Bill Emerson Humanitarian Trust.

National Aeronautics and Space Administration

- An increase of \$168 million is proposed for Science, Aeronautics and Exploration offset by a reduction of \$168 million from Exploration Capabilities. This proposal would:
 - Redirect funds within the Exploration program to accelerate development of the Crew Exploration Vehicle, the new vehicle that will take astronauts to space and be capable of ferrying them to the International Space Station;
 - Reallocate funding across the agency's science programs to better focus resources on near-term requirements while deferring investments in some longer-term activities; and
 - Reallocate funding to reflect changed management responsibilities for the Lunar Exploration and the Space Station Crew and Cargo Services programs.

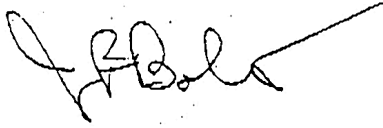
Small Business Administration

- A reduction of \$139 million is proposed for the Disaster Loans Program. Due to significant carryover credit subsidy and administrative balances, no new budget authority is required to respond to projected disaster events during FY 2006. This reduction would partially offset the additional funding proposed for the Department of Health and Human Service, as noted earlier.

Recommendation

I have carefully reviewed these proposals and am satisfied that they are necessary at this time. Therefore, I join the heads of the affected Departments and agencies in recommending that you transmit these amendments to the Congress.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Bolten', with a long horizontal stroke extending to the right.

Joshua B. Bolten
Director

Enclosures

FY 2006 Budget Amendment

Agency: DEPARTMENT OF AGRICULTURE
Bureau: Rural Business-Cooperative Service
Heading: Rural Economic Development Grants
FY 2006 Budget Appendix Page: 145
FY 2006 Pending Request: ---
Proposed Amendment: Language
Revised Request: ---

(Under the above heading, add the following:)

Of the unobligated balances available under this heading at the beginning of fiscal year 2006, \$15,000,000 is hereby canceled.

This proposal would cancel a portion of the unobligated balance in the Rural Economic Development Grants Program Account. Unobligated balances currently projected to be carried forward into FY 2006 are sufficient to cover current and future grant program obligations. The reduction would partially offset a proposed increase to reimburse the Bill Emerson Humanitarian Trust through the P.L. 480 Title I Account, as described in an accompanying amendment.

FY 2006 outlays would not be affected by this amendment.

FY 2006 Budget Amendment

Agency: DEPARTMENT OF AGRICULTURE
Bureau: FOREIGN AGRICULTURAL SERVICE
Heading: Public Law 480 Title I Ocean Freight Differential Grants
FY 2006 Budget Appendix Page: 169
FY 2006 Pending Request: \$11,940,000
Proposed Amendment: Language
Revised Request: \$11,940,000

(In the appropriations language under this heading, add the following new sentence at the end:)

Of the unobligated balances under this heading, \$45,000,000 shall be transferred to the Commodity Credit Corporation, to reimburse the Bill Emerson Humanitarian Trust for prior releases: Provided, That the limitation in 7 U.S.C. 1736f-1(b)(2)(B)(i) shall not apply to these funds.

This proposal would transfer unobligated balances currently projected to be carried forward into FY 2006 to reimburse the Commodity Credit Corporation as required under the Bill Emerson Humanitarian Trust Act. Unobligated balances are sufficient to cover this transfer and anticipated cargo preference reimbursement grants in FY 2006.

The request would decrease FY 2006 outlays by \$18 million.

FY 2006 Budget Amendment

Agency: DEPARTMENT OF AGRICULTURE
Bureau: FOREIGN AGRICULTURAL SERVICE
Heading: Public Law 480 Title I Direct Credit and Food for Progress
Program Account
FY 2006 Budget
Appendix Page: 171
FY 2006
Pending Request: \$68,425,000 (total)
Proposed Amendment: \$20,000,000
Revised Request: \$88,425,000

(In the appropriations language under this heading, amend as follows:)

- 1) Delete "\$65,040,000" and substitute \$85,040,000
- 2) In the first paragraph, delete: ": Provided, That" and insert the following after "until expended": ,of which \$30,000,000 shall be transferred to the Commodity Credit Corporation, to reimburse the Bill Emerson Humanitarian Trust for prior releases: Provided, That the limitation in 7 U.S.C. 1736f-1(b)(2)(B)(i) shall not apply to these funds: Provided further, That

This proposal would provide additional funds under the Agricultural Trade Development and Assistance Act of 1954, to be made available to reimburse the Commodity Credit Corporation as required under the Bill Emerson Humanitarian Trust Act.

The request would decrease FY 2006 outlays by \$7 million.

FY 2006 Budget Amendment

Agency: DEPARTMENT OF HEALTH AND HUMAN SERVICES
Bureau: DEPARTMENTAL MANAGEMENT
Heading: Public Health and Social Services Emergency Fund
FY 2006 Budget Appendix Pages: 467-469
FY 2006 Pending Request: \$2,427,833,000
Proposed Amendment: \$150,000,000
Revised Request: \$2,577,833,000

(In the appropriations language under the above heading, delete "\$2,427,833,000" and substitute \$2,577,833,000; delete "\$600,000,000" and substitute \$750,000,000.)

This proposal would increase the Strategic National Stockpile (SNS) funding in the Public Health and Social Services Fund by \$150 million for a total funding level of \$750 million. Of this total, \$254 million would finance the procurement of pandemic influenza countermeasures, composed predominantly of H5N1 vaccine and antiviral pharmaceutical stockpiles.

This funding would be fully offset by proposed reductions and a cancellation of funds, as described in accompanying amendments.

The request would increase FY 2006 outlays by \$92 million.

FY 2006 Budget Amendment

Agency: DEPARTMENT OF HEALTH AND HUMAN SERVICES
Bureau: ADMINISTRATION FOR CHILDREN AND FAMILIES
Heading: Refugee and Entrant Assistance
FY 2006 Budget Appendix Pages: 460
FY 2006 Pending Request: \$552,040,000
Proposed Amendment \$19,100,000
Revised Request \$571,140,000

This proposal would increase the funding for the Refugee Transitional and Medical Services (TAMS) program by \$4.1 million and the Unaccompanied Alien Children (UAC) program by \$15.0 million.

The increase for the TAMS program will maintain access to eight months of cash and medical assistance for an increasing number of refugees and other entrants accessing the program in FY 2006. The increase for the UAC program will support shelter and services for a projected 20-percent increase of children beyond estimates assumed in the FY 2006 Budget.

This funding would be fully offset by proposed reductions and a cancellation of funds, as described in accompanying amendments.

The request would increase FY 2006 outlays by \$6 million.

FY 2006 Budget Amendment

Agency: DEPARTMENT OF HEALTH AND HUMAN SERVICES
Bureau: ADMINISTRATION FOR CHILDREN AND FAMILIES
Heading: Children and Families Services Programs
FY 2006 Budget Appendix Pages: 462-464
FY 2006 Pending Request: \$8,386,293,000
Proposed Amendment -\$9,000,000
Revised Request \$8,377,293,000

(In the appropriations language under the above heading, delete "\$8,386,293,000" and substitute \$8,377,293,000; and delete "\$31,846,000" and substitute \$22,846,000.)

The Administration for Children and Families has reestimated the amount that will be needed for adoption incentive bonus payments to States in FY 2006. A total of \$22.8 million will be sufficient for grants to States for adoption incentive payments, as authorized by section 473A of the Social Security Act. This is \$9 million less than that requested in the President's FY2006 Budget.

This reduction would partially offset increased funding needed for the Public Health and Social Services Emergency Fund and the Refugee and Entrant Assistance program, as described in accompanying amendments.

The request would decrease FY 2006 outlays by \$9 million.

FY 2006 Budget Amendment

Agency: DEPARTMENT OF HEALTH AND HUMAN SERVICES

Heading: GENERAL PROVISIONS

FY 2006 Budget
Appendix Pages: 475

FY 2006
Pending Request: ---

Proposed Amendment Language

Revised Request ---

(In the appropriations language under the above heading, insert the following new sections immediately after section 217:)

Sec. 218. The unobligated balance, including any recoveries that become available for obligation in fiscal year 2006, of the Health Professions Student Loan program authorized by Subpart II, Federally-Supported Student Loans Funds, of title VII of the Public Health Services Act is cancelled: Provided, That no part of such balance may be obligated during fiscal year 2006.

Sec. 219. The unobligated balance, including any recoveries that become available for obligation in fiscal year 2006, of the Nursing Student Loan program authorized by section 835 of the Public Health Services Act is cancelled: Provided, That no part of such balance may be obligated during fiscal year 2006.

This proposal would cancel an estimated \$21 million in unobligated balances and anticipated recoveries in the Health Resources and Services Administration's Health Professions Student Loan and Nursing Student Loan programs.

This cancellation would partially offset increased funding needed for the Public Health and Social Services Emergency Fund and the Refugee and Entrant Assistance program, as described in accompanying amendments.

The request would decrease FY 2006 outlays by \$21 million.

FY 2006 Budget Amendment

Agency: ENVIRONMENTAL PROTECTION AGENCY

Heading: Environmental Programs and Management
(Legislative Proposal, not subject to PAYGO)

FY 2006 Budget
Appendix page: 966

FY 2006
Pending Request: \$50,000,000

Proposed Amendment: Language

Revised Request: \$50,000,000

(In the appropriations language under this heading, delete "Such" and replace with In addition to amounts made available in the paragraph above, as follows: such;

Delete "registration. In addition, such" and replace with registration; such;

Insert and Test Rule after "Pre-Manufacture Notice" and before "account";

Delete "activities. In addition, such" and replace with and test rule activities; and such)

This proposal amends appropriations language to reflect correctly the intent of the EPA fee proposals contained in the FY 2006 Budget. Fees collected under the FY 2006 Budget proposals are intended to be in addition to general fund appropriations made available for the pesticide registration and tolerance, and pre-manufacture notice and test rule activities. The amendment also clarifies that fees can be used for all authorized purposes. Authorizing language for these proposals will be forthcoming.

The proposed budget totals would not be affected by this technical language amendment.

FY 2006 Budget Amendment

Agency: INTERNATIONAL ASSISTANCE PROGRAMS
Bureau: U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
Heading: Development Assistance
FY 2006 Budget Appendix Page: 1024
FY 2006 Pending Request: \$1,103,233,000
Proposed Amendment: Language
Revised Request: \$1,103,233,000

(Under the above heading, add the following new sentence at the end:)

Of the unobligated balances available under this heading at the beginning of fiscal year 2006, \$5,000,000 is hereby canceled.

This proposal would cancel a portion of the unobligated balance in the Development Assistance account of the U.S. Agency for International Development. The reduction would partially offset a proposed increase to reimburse the Bill Emerson Humanitarian Trust through the P.L. 480 Title I Account, as described in an accompanying amendment.

The request would decrease FY 2006 outlays by \$500,000.

FY 2006 Budget Amendment

Agency: NATIONAL AERONAUTICS AND SPACE
ADMINISTRATION

Heading: Science, Aeronautics and Exploration

FY 2006 Budget
Appendix Pages: 1073-1075

FY 2006
Pending Request: \$9,661,000,000

Proposed Amendment: \$168,400,000

Revised Request: \$9,829,400,000

This proposal would redirect \$168 million to the Science, Aeronautics and Exploration account from the Exploration Capabilities account. This would result from a reallocation of \$168 million for ISS Crew/Cargo Services from the Space Operations Mission Directorate in the Exploration Capabilities account to the Constellation Systems Theme of the Exploration Systems Mission Directorate. In addition, \$135 million would be realigned within the Science, Aeronautics and Exploration account. This would result from a reallocation of \$135 million for the Lunar Robotic Exploration Program from the Science Mission Directorate to the Exploration Systems Mission Directorate. Both changes would be made in order to better align budget and management responsibility.

The proposal would also make programmatic changes within the Science Mission Directorate in the Science, Aeronautics and Exploration account. These changes would reallocate funds totaling \$98 million across major program areas (known as "Themes") within the Science Mission Directorate to focus resources on near-term requirements while deferring investments in longer-term activities.

- The Solar System Exploration Theme would be reduced by \$98 million by deferring investments in long-term Mars missions and preparation for human missions to Mars while also increasing investment in near-term Mars exploration needs. These reductions would be made available by cancellation of the Mars Telecommunications Orbiter and the Optical Communications demonstration, and deferral of the planned Mars Sample Return Mission, while increases would be made to fund extended operations of the Mars Exploration Rovers, and to maintain a 2009 launch date for the Mars Science Laboratory.
- The Universe Theme would be increased by \$10 million, with \$30 million provided to preserve the option of servicing the Hubble with a Space Shuttle mission until a decision can be made following successful return to flight missions. Most funds for Hubble would come by reducing the Terrestrial Planet Finder investment.

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- The Earth-Sun System Theme would be increased by \$88.3 million to fully fund a standalone Glory mission, provide additional funding for extending the missions of currently operating satellites, and maintain the launch schedule for the Solar Dynamics Observatory.

The proposal would also make programmatic changes within the Exploration Systems Mission Directorate in the Science, Aeronautics and Exploration account, to accelerate development of the Crew Exploration Vehicle and Crew Launch Vehicle. This would be achieved by increasing funding for these activities by \$292 million in the Constellation Systems Theme. The source of funds for this increase would be within the Exploration Systems Mission Directorate and would be provided by reducing funding for longer-term technologies to focus on near-term priorities. Specific reductions include \$122 million less in the Exploration Systems Research and Technology Theme, \$140 million less in the Prometheus Nuclear Systems and Technology Theme, and \$30 million less in the Human Systems Research and Technology Theme.

Taken together with the accompanying NASA amendment, the proposed budget totals would not be affected.

FY 2006 Budget Amendment

Agency: NATIONAL AERONAUTICS AND SPACE
ADMINISTRATION

Heading: Exploration Capabilities

FY 2006 Budget
Appendix Pages: 1075-1078

FY 2006
Pending Request: \$6,763,000,000

Proposed Amendment: -\$168,400,000

Revised Request: \$6,594,600,000

This proposal would redirect \$168 million from the Exploration Capabilities account to the Science, Aeronautics and Exploration account. This would result from a reallocation of \$168 million in funding for ISS Crew/Cargo Services from the International Space Station Theme of the Space Operations Mission Directorate in the Exploration Capabilities account, to the Constellation Systems Theme of the Exploration Systems Mission Directorate in the Science, Aeronautics and Exploration account.

This redirection would better integrate decisions related to future transportation capabilities for crew and cargo to ISS and for exploration missions by consolidating development activities within the Exploration Systems Mission Directorate, to develop the Crew Exploration Vehicle in order to ferry the next generation of astronauts to the Space Station, Moon, and Mars. The International Space Station requires cargo transportation to supplement the Space Shuttle and to conduct operations after retirement of the Space Shuttle, and future human exploration will require cargo transportation separate from the Crew Exploration Vehicle. Realignment will improve NASA's ability to address these common requirements.

Taken together with the accompanying NASA amendment, the proposed budget totals would not be affected.

FY 2006 Budget Amendment

Agency: SMALL BUSINESS ADMINISTRATION

Heading: Disaster Loans Program Account

FY 2006 Budget
Appendix Pages: 1103-1104

FY 2006
Pending Request: \$83,335,000 in credit subsidy
\$56,000,000 in administrative funds

Proposed Amendment -\$83,335,000 in credit subsidy
-\$56,000,000 in administrative funds

Revised Request \$0 in credit subsidy
\$0 in administrative funds

(Under the above heading, delete all appropriations language and substitute From unobligated balances under this heading, in fiscal year 2006: (1) not to exceed \$9,000,000 may be transferred to "Salaries and Expenses," Small Business Administration, for indirect administrative expenses; and (2) not to exceed \$900,000 may be transferred to "Office of the Inspector General," Small Business Administration, for audits and reviews of disaster loans and the disaster loan program.)

This proposal would reduce the FY 2006 request for the Small Business Administration's (SBA) Disaster Loans Program. Due to significant carryover credit subsidy and administrative balances, no new budget authority is required to respond to projected disaster events during FY 2006. The proposal would also allow SBA to use unobligated balances in this account for indirect administrative expenses and for SBA's Office of Inspector General.

This reduction would partially offset the additional funding proposed for the Department of Health and Human Service in accompanying amendments.

The request would have no affect on FY 2006 outlays.