

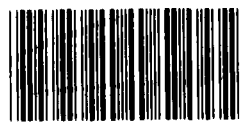
116602



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

B-200685

October 7, 1981



116602

To the President of the Senate and the
Speaker of the House of Representatives

On September 10, 1981, the President's thirteenth special message for fiscal year 1981 was transmitted to the Congress pursuant to the Impoundment Control Act of 1974. The special message proposed two new deferrals of budget authority totalling \$6.7 million and revisions to three previously transmitted deferrals as follows:

FUNDS APPROPRIATED TO THE PRESIDENT

D81-130 International Development Assistance
Functional development assistance
program (Food and Nutrition)
11X1023

On August 4, 1981, the Administrator of the Agency for International Development (AID) announced that program reviews showed that certain programs were not working, and were wasteful and ineffective, and, therefore, would be terminated or reduced. The Administrator stated that these conditions stemmed from changes in local conditions in the affected countries, and from management and support problems that AID had encountered from local governments. The terminations and reductions contained in the August 4 announcement would allow AID to deobligate approximately \$28 million. The countries and programs identified in the Administrator's announcement are as follows:

<u>PROGRAMS</u>	<u>COUNTRY</u>	<u>AMOUNT (000 omitted)</u>	
<u>Science and Technology</u>	Costa Rica	3,500	
	Liberia	2,500	
	Haiti	450	
	Peru	400	
	Thailand	500	
Subtotal			7,350
<u>Infrastructure</u>	Guyana	3,000	
	Portugal	400	
	Syria	10,500	
Subtotal			13,900

018880

<u>PROGRAMS</u>	<u>COUNTRY</u>	<u>AMOUNT (000 omitted)</u>	
<u>Agriculture</u>	Guyana	420	
	Haiti	1,024	
	Upper Volta	971	
Subtotal			2,415
<u>Health</u>	Portugal	1,109	
	Bangladesh	100	
Subtotal			1,209
<u>Legal Services</u>	Haiti	125	
Subtotal			125
<u>Training</u>	El Salvador	3,185	
Subtotal			<u>3,185</u>
Total			\$28,184

Of the approximately \$28 million discussed above, the special message identifies \$5,538,279 as budgetary resources. Of the \$5,538,279 in budgetary resources, \$4,922,400 was proposed for deferral because the funds could not have been used effectively in fiscal year 1981; the remaining budgetary resources (approximately \$0.6 million) remained available during fiscal year 1981. The remainder of the deobligated funds (approximately \$23 million) are derived from appropriations which had a fiscal year availability expiring prior to fiscal year 1981. Since these appropriations had expired, the deobligated funds are no longer available to AID for new obligations. See 31 U.S.C. 701(a)(2).

An AID official informed us that the amounts identified for deobligation in the Administrator's announcement were estimates. Information from that official suggests that total deobligations in fiscal year 1981 will more nearly approximate \$60 million. Of this amount, approximately \$32 million involve funds from appropriations whose availability to AID now has expired.

The remainder of the \$60 million (approximately \$28 million) involves funds that are available to AID until expended. Some of these remaining funds (approximately \$20 million) were not deferred. They were accessible for use in funding AID grants and contracts, although because of the short time remaining in the fiscal year, not all of them were likely to be obligated in fiscal year 1981. However, we identified a portion of

these remaining funds that AID did not plan to obligate in fiscal year 1981. They should have been reported as deferred in D81-130. Specifically, AID informed us that there was an additional \$3,285,000 from two programs involving no-year appropriations that it did not intend to obligate. In addition, from the various appropriations that comprise the deferral reported in D81-130, the amount actually deferred is \$4,944,400, rather than \$4,922,400 as reported. Therefore, we estimate that the total amount deferred was \$8,229,400.

The following chart compares the amounts reported in the special message with the amounts estimated by AID.

	<u>SPECIAL MESSAGE</u>	<u>AGENCY ESTIMATES</u> (000 omitted)
Deferred	\$ 4,922	\$ 8,229 */
Available for obligation	616	\$20,000
Expired	<u>\$22,646</u>	<u>\$31,771</u>
Total deobligated	\$28,184	\$60,000

It is not certain how much of the funds available for obligation in fiscal year 1982, as well as additional amounts which may be deobligated, will be deferred in fiscal year 1982. AID and OMB need to improve their efforts in identifying and correctly reporting future deferrals in order to avoid the problems existing in D81-130.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

D81-112A Social Security Administration
Refugee assistance
751/20473

DEPARTMENT OF TRANSPORTATION

D81-91A Federal Railroad Administration
Rail service assistance
69X0122

*/ The sum of the correct amount reported for deferral (\$4,944) and the amount that should have been reported as deferred (\$3,285).

The estimated effects section of the deferral message states that the low-volume branch line program funded by this account will be discontinued after the \$35 million deferred in D81-91A is obligated in fiscal year 1982. However, we note that section 1191 of the Omnibus Budget Reconciliation Act of 1981, Pub. L. No. 97-35, 95 Stat. 699 (August 13, 1981), authorizes appropriations for this program through fiscal year 1984.

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

D81-40A Land acquisition and development fund
42X4084

MOTOR CARRIER RATEMAKING STUDY COMMISSION

D81-131 Salaries and Expenses
48X2700

We have reviewed the thirteenth special message. Except as noted above, we have identified no additional information that would be useful to the Congress in its consideration of the President's proposals and we believe that the proposed deferrals are in accordance with existing authority.



Acting Comptroller General
of the United States