

DOCUMENT RESUME

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[Fourteenth and Fifteenth Special Presidential Messages for Fiscal Year 1977]. OGC-77-26; B-115398. August 5, 1977. 1 pp. + enclosure (3 pp.).

Report to the Congress; by Elmer B. Staats, Comptroller General.

Contact: Office of the General Counsel: Special Studies and Analysis.

Budget Function: Miscellaneous: Impoundment Control Act of 1974 (1005).

Organization Concerned: Department of Defense; General Services Administration.

Congressional Relevance: Congress.

Authority: Impoundment Control Act of 1974.

The President's 14th special message for fiscal year 1977 transmitted to the Congress pursuant to the Impoundment Control Act of 1974 proposed two rescissions, \$21.09 million concerning the foreign military credit sales program and \$75 million concerning the General Services Administration's (GSA's) Federal Buildings Fund. This message also proposed the deferral of \$12.465 million in budget authority that had been provided to the Department of Defense (DOD) for military personnel and operation and maintenance activities. The 15th special message proposed two rescissions, one involving DOD procurement funds of \$462 million resulting from the President's decision to terminate the B-1 bomber program and a second of \$1.4 million for the SRAM-B missile. Findings/Conclusions: The proposed rescission for the Federal Buildings Fund is inconsistent with GSA's funding needs for alteration and repair projects. A recent GAO review of GSA's management of space in Government-owned buildings concluded that one of the principal impediments to better use of GSA-managed buildings has been the shortage of alteration and repair funds. The review of GSA space management also disclosed examples of vacant or underutilized Government buildings that GSA had not seriously considered as candidates for renovation in order to reduce leased space and new construction requirements. The information provided on the other rescissions and on the deferral is correct, and the actions being proposed have been clearly and accurately stated. (SC)



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

August 5, 1977

03105

B-115398

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

On July 19, 1977, we received copies of the President's 14th and 15th special messages for fiscal year 1977 that were transmitted to the Congress pursuant to the Impoundment Control Act of 1974.

The 14th special message proposed two rescissions-- \$21.09 million concerning the foreign military credit sales program, and \$75 million concerning the General Services Administration's, Federal Buildings Fund. This message also proposed the deferral of \$12.465 million in budget authority that had been provided to the Department of Defense for military personnel and operation and maintenance activities.

The 15th special message proposed two rescissions: one involving DOD procurement funds of \$462 million resulting from the President's decision to terminate the B-1 bomber program and a second of \$1.4 million for the SRAM-B missile.

Our comments on the impoundments proposed in the President's July 19, 1977, special messages are enclosed.

Comptroller General
of the United States

Enclosure

OGC-77-26

GAO COMMENTS ON THE
PRESIDENT'S 14TH AND 15TH SPECIAL MESSAGES
FOR FISCAL YEAR 1977

Based upon the current congressional calendar, the 45-day period of continuous session during which the funds proposed for rescission in these special messages may be withheld pending congressional consideration of a rescission bill will end October 4, 1977.

14TH SPECIAL MESSAGE:

FUNDS APPROPRIATED TO THE PRESIDENT

R77-16 International Security Assistance
Foreign Military Credit Sales, 1977
1171082

DEPARTMENT OF DEFENSE

D77-62 Military Personnel,
Army, Navy, and Air Force;
Operation and Maintenance,
Defense Agencies

We conclude that the information provided in the rescission and deferral message is correct and that the actions being proposed have been clearly and accurately stated.

GENERAL SERVICES ADMINISTRATION

R77-17 Federal Buildings Fund
47X4542

We believe the proposed rescission is inconsistent with the General Services Administration's (GSA's) funding needs for alteration and repair projects.

We recently reviewed GSA's management of space in Government-owned buildings, including an analysis of GSA's requirements for alterations and repairs to improve the use of such buildings. Our review pointed out that one of the principal impediments to better use of GSA-managed buildings has been the shortage of alteration and repair funds.

In its fiscal year 1977 budget, for example, GSA proposed about \$140.5 million for the alteration and major repair program, including about \$57.6 million to improve space for building use. Among the proposed projects submitted by 5 of GSA's 10 regions were many to renovate a total of about 1.5 million square feet of Government space, estimated to cost about \$30 million, which those regions estimated would save over \$10 million a year paid to lease commercial space. The Office of Management and Budget reduced GSA's budget request for that total program to \$60.7 million. According to GSA, only about \$11 million of the fiscal year 1977 repair and alteration budget was earmarked for renovating vacant space.

Our review of GSA space management also disclosed examples of vacant or underutilized Government buildings that GSA had not seriously considered as candidates for renovation in order that it could relocate agencies from leased space or to reduce

new construction requirements. Although GSA's fiscal year 1978 appropriation request has a substantial increase for the alteration and major repair program, GSA officials informed us that they plan to earmark only about \$17 million to renovate space for agency use.

In light of the fact that the Congress has been made explicitly aware of the severe backlog in GSA's buildings alteration and repair activities, the proposed rescission appears at variance with GSA's funding requirements for these activities. We intend to address these points in more detail in a report to the Congress that is currently in preparation.

15TH SPECIAL MESSAGE:

DEPARTMENT OF DEFENSE

R77-18 Aircraft Procurement,
Air Force 577/93010

R77-19 Missile Procurement,
Air Force 577/93020

We conclude that the information provided in these rescissions is correct and that the actions being proposed have been clearly and accurately stated.