United States General Accounting Office

# GAO

Testimony

Before the Subcommittee on Transportation,
Committee on Appropriations,
House of Representatives

For Release on Delivery
Expected at
10:00 a.m. EDT
Wednesday
April 13, 1994

# MASS TRANSIT

## Issues Related to Fiscal Year 1995 Appropriations


Statement of Barry T. Hill,
Associate Director, Transportation Issues,
Resources, Community, and Economic
Development Division



GAO/T-RCED-94-180

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to testify on issues affecting the federal government's investment in transit systems based on both our previous and ongoing work. Budgetary pressures affect not only the federal dollars available to transit systems but state and local support as well. Moreover, unfunded federal mandates, such as the Americans With Disabilities Act (ADA) and the Clean Air Act Amendments, are increasing the costs of maintaining and operating our transit systems. These factors make it more imperative than ever that federal dollars be spent in a cost-effective manner.

My testimony today focuses on three issues: (1) what changes have occurred in capital investment planning for transit systems, (2) what challenges face transit agencies as they implement the paratransit requirements of ADA, and (3) what issues surround the administration's proposal to reduce transit operating assistance.

In summary, we have found that:

-- The Federal Transit Administration (FTA), along with the Federal Highway Administration (FHWA), is changing the transit investment planning process by advocating that alternative modes of transportation now be considered. Under this new process, state and local governments, metropolitan planning organizations, special interest groups, FTA, and FHWA are to act as partners and share responsibility for project assessment. Consequently, FTA's role is evolving from direct assessment of proposed new transit capital projects to shared monitoring of transportation projects. While FTA and FHWA are developing guidance for the new planning process, they have yet to identify a mechanism for assessing whether the new process helps to ensure the cost-effective investment of federal dollars.

-- Transit agencies face a number of challenges to comply with ADA's requirement to provide paratransit (door-to-door) service to persons with disabilities unable to use a transit system's fixed route system. These include (1) determining who meets the ADA's criteria for paratransit eligibility, (2) financing the estimated $700 million annual cost of paratransit service, and (3) deciding whether paratransit systems will continue to serve individuals who have been receiving service, such as the elderly, but do not meet ADA's eligibility criteria for such service.

-- A proposed reduction in federal transit operating subsidies presents this Subcommittee with a series of difficult budgetary choices. The President's proposed $4.8 billion fiscal year 1995 FTA budget would reduce federal operating assistance by 25 percent from last year's appropriated level while raising urban formula capital assistance by 44 percent over last year's level. Determining the proper mix of capital and operating assistance is a difficult decision and rests, in part, on basic views of the appropriate federal role in supporting infrastructure development, maintenance, and operations. Additional factors that further complicate this decision include: (1) differing views on the ease with which transit agencies can compensate for lost federal operating subsidies; (2) increases in operating costs that are expected to result from several new federal mandates, such as the ADA; and (3) the fact that funding operating assistance at the fiscal year 1994 level could necessitate transit capital assistance cuts of $2.4 billion or other difficult budgetary tradeoffs.

## NEW CAPITAL INVESTMENT PLANNING PROCESS FOCUSED ON MAKING COST-EFFECTIVE DECISIONS

FTA is implementing measures to improve the planning process for major transit investment projects. Changes have been made to address the uncertainties inherent in forecasting cost and ridership by initiating peer reviews of project forecasts and requiring scenarios that provide a range of estimates under various conditions. More important, in response to the requirements of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), the planning process now requires that local authorities consider modes of transportation other than transit in reviewing possible alternatives. Under this new process, FTA's role will be changing from one of direct assessment of new transit investment projects to one of shared monitoring with FHWA, states, local authorities, and private interest groups. FTA and FHWA are currently preparing guidance for this new planning process but has yet to develop a mechanism for assessing its success.

### Changes Made To Improve Cost and Ridership Forecasts

To help ensure cost-effective investment decisions, FTA has an investment planning process to assist localities in selecting transit capital projects. Local planners have historically chosen a new project based, in part, on (1) the estimated cost to construct the transit system and related facilities and (2) the anticipated ridership of the proposed system once implemented. These estimates are developed early in the process and accuracy and reliability of the cost and ridership estimates are key in choosing one alternative over another.

In 1990, the Department of Transportation (DOT) commissioned a study to identify ways to improve the transit planning process.[1] The study focused on the cost and ridership forecasts that led local officials to select 10 rail transit projects that have been

---

[1]Urban Rail Transit Projects: Forecast Versus Actual Ridership and Cost, U.S. Department of Transportation, (Oct. 1990).

constructed with federal assistance. The study found that the actual costs of these projects exceeded estimated levels and that ridership fell below estimated levels. The study further examined the reasons for the differences.

The 1990 study recommended several actions to improve cost and ridership estimates, and since then, FTA has taken action to address the recommendations. For example, FTA has recently updated its guidance to include, among other things, information on using peer reviews to ensure that project forecasts are reasonable and on performing "what if" scenarios regarding the uncertainty of forecasts and to identify the sensitivity of demographic and other variables under best and worst conditions. FTA has also contracted with private companies to conduct peer reviews of new transit projects in the areas of ridership, capital and operating/maintenance costs, and financing and has suggested methodologies to examine the effects of various forecasting assumptions.

<u>Multimodal Planning Process Is Still Evolving</u>

In the fall of 1993, FTA and FHWA issued new planning regulations that mandated that the same planning process be used for major highway and transit projects. While state and local officials have begun to assess projects under this process, the federal role, guidance on analysis needed for project alternatives, and a mechanism to monitor the planning process are still evolving.

The new regulations require that, in solving transportation problems, local authorities consider more than one mode of transportation in their major investment studies. The regulation also requires that FTA, FHWA, state transportation officials, local transit officials, metropolitan planning organization officials, and public interest groups jointly work together to consider all input in support of the investment decision. FTA officials believe that the new regulation affords greater opportunity for public involvement, streamlines the project development process, and allows more consideration of the social, economic, and environmental factors involved in planning major transportation projects.

The new planning process also changes FTA's role in the process. As FTA's role evolves from one of oversight to partnership, FTA officials told us that they are still working with FHWA to define that role. For example, they believe that an adequate quality control process needs to be developed within which project proposals are evaluated to ensure that cost and other project estimates are reasonable. This could include the use of consultants, a peer review panel, and/or scrutiny by the other partners. FTA officials told us that the new process could increase the number of project proposals FTA would be involved in from about 20 currently to several hundred. Consequently, according to agency officials, FTA itself would only review some project proposals in detail. However, the circumstances under which a project would be selected for review has not been determined. As FTA and FHWA work together to define the federal role, a balance between oversight and partnership must be struck.

Furthermore, FTA officials told us that guidance for the new planning process is needed, and that they have just begun to develop such guidance. FTA and FHWA are working with the National Transit Institute to develop a new training course and manual for planners, scheduled to be available in about 6 months. The manual will discuss, among other things, the technical assumptions used in project analysis. FTA believes that this document will serve as the starting point for formal guidance. As the guidance is being developed, we believe it needs to include common measures for comparing different transportation alternatives. In a 1992 report,[2] we recommended that DOT develop such measures to provide a common basis for determining a project's ability to meet mobility, environment quality, safety, cost-effectiveness, and social and economic goals across modes.

While the multimodal ISTEA planning process is still very new, it is not too early to begin thinking about how to measure its success. For example, FTA is uncertain whether the changes that were made to its planning process in response to DOT's 1990 report will actually result in better cost and ridership estimates. FTA indicates that few projects have been completed since the changes and sufficient time has not passed for construction and operation of a project so that actual experience can be measured. Accordingly, on the basis of FTA's rationale, it may be many years before the new planning process can be assessed. We believe that one alternative that FTA could consider would be to do a series of intermediate checks, such as reviewing the changes to operating and capital cost estimates, as projects progress through the different planning and project development phases.

## ADA IMPOSES NEW MINIMUM REQUIREMENTS

The Americans with Disabilities Act of 1990 (P.L. 101-336) prohibits discrimination on the basis of disability and applies to, among other things, public transit systems. Under the ADA, transit systems must progressively make their buses and rail systems accessible to persons with disabilities, including wheelchair users, and must provide alternative transportation called paratransit (door-to-door) to those who are unable to use the

---

[2] Transportation Infrastructure: Urban Transportation Planning Can Better Address Modal Trade-offs, (GAO/RCED-92-112, Apr. 2, 1992).

transit systems' fixed route service.[3] DOT gave transit agencies up to 5 years from January 1992 to comply with the paratransit requirements.

The ADA's impact on individual transit agencies will vary according to the extent to which their fixed-route service was accessible, and the amount of paratransit service they offered, before ADA's enactment. Before ADA, section 504 of the Rehabilitation Act of 1973 gave transit agencies the option of providing either accessible fixed-route service or paratransit service, and many chose to offer the latter. The ADA requires that fixed-route service be accessible and that paratransit service be comparable to fixed-route.

DOT defined comparable service in terms of specific criteria. For example, paratransit service must be available during the same days and hours that fixed-route service is available. While many agencies already offered paratransit service, they often had less capacity than was needed to satisfy all trip requests, and service hours were more restricted than those of the fixed-route systems. Much of the available capacity was consumed by recurring trips for work or medical services, such as dialysis. The remaining trips might be limited to certain purposes, such as visits to the doctor, or provided simply on a first-come, first-served basis.

## Transit Agencies Face Challenges In Implementing ADA's Paratransit Requirements

Among the challenges transit agencies face in complying with the ADA's paratransit requirements are (1) determining who meets the ADA's criteria for paratransit eligibility, (2) financing the level of paratransit service required by the ADA, and (3) deciding whether to continue to serve individuals who have been receiving paratransit service but do not meet the ADA's eligibility criteria for such service.

DOT defined eligibility as requiring that comparable paratransit service be offered to those individuals who are functionally incapable of using accessible fixed-route transit service. However, transit agencies have incurred difficulties in establishing an eligibility process, including getting agreement from affected groups on the levels of service to be offered, making arrangements for the professional review of eligibility applications, and developing appeal procedures for those whose eligibility is denied. DOT officials told us in November 1993 that most transit agencies had established processes for determining eligibility but that many had not begun using them.

---

[3]We reported on ADA's paratransit requirements in Americans with Disabilities Act: Challenges Faced by Transit Agencies in Complying With Act's Requirements (GAO/RCED-94-58, Mar. 11, 1994).

While the establishment of an eligibility process may be challenging, some officials said that applying it to persons who believe they need paratransit service may be even more difficult. For example, two persons, each living three blocks from a fixed-route stop for an accessible bus and each confined to a wheelchair, may appear objectively to be able to use the fixed-route service. But one may feel capable of traveling to the stop and waiting for the bus, while the other may feel very insecure and dependent on the paratransit service. Transit officials must decide whether to insist that the latter person is capable of using fixed-route service and is thus ineligible for paratransit service.

FTA estimated, when fully implemented, annual paratransit costs could be about $700 million in 1993 dollars. FTA estimated that about 86 percent of these paratransit costs would be for operating expenses (for drivers, dispatchers, fuel, etc.). Based on the transit agencies' plans that provided pre-ADA baseline data, the average paratransit costs are estimated to increase in constant dollars by more than 100 percent from the pre-ADA period through the end of the phase-in period. This estimated increase ranges from about a 129-percent increase in large urban areas to a 63-percent increase in non-urban areas.

FTA characterized its estimate of paratransit costs as an "aggregate of educated guesses." This is because any projection of paratransit costs is based on an assessment of the demand for paratransit services. Demand is difficult to estimate and is subject to considerable uncertainty for several reasons, including: (1) improved service may stimulate demand from persons who have made little use of paratransit service in the past, (2) social service agencies that have been providing transportation to clients may decide to rely more on transit agencies, and (3) although the gradual acquisition of fixed-route buses that are useable by persons with disabilities could moderate the demand for paratransit, transit agencies may have limited success in persuading paratransit riders to switch to fixed-route service.

As discussed in our March 1994 report, securing the financial resources to provide all eligible trips is transit agencies' greatest challenge in meeting the paratransit requirements, according to officials at all 12 of the transit agencies we visited. Confronted with higher costs, transit officials at 9 of the 12 agencies we visited told us that higher paratransit costs and the absence of new funding could force them to reduce existing fixed-route service or delay planned service expansion in order to make additional funding available for paratransit service. In the absence of additional funds from federal, state, and local sources, transit agency officials said that they would also have to consider options such as (1) restricting paratransit service to those persons who meet the ADA criteria, (2) requesting a waiver to delay full compliance, and (3) increasing fares for all service. Restricting paratransit service to those persons eligible under the

ADA could affect paratransit access to those persons, such as the elderly and disabled persons who feel dependent on paratransit but are not eligible under the ADA. Nine of the 12 transit agencies we visited will continue to serve persons who do not meet the ADA eligibility criteria. Officials from these agencies told us that expectations for this service had been created, and some said that restricting service to persons meeting the ADA's criteria would engender resistance from current riders and groups representing disabled persons.

## PROPOSED REDUCTIONS IN FEDERAL OPERATING ASSISTANCE OCCUR WITHIN COMPLEX BUDGET ENVIRONMENT

The Congress first authorized the use of federal funds to help pay for transit operating expenses in 1974. Since the early 1980s, however, operating assistance has been a consistent target of proposed cuts in administration budgets, although the Congress has regularly elected to appropriate significantly higher levels of operating assistance than proposed. The administration's fiscal year 1994 budget departed from the trend of requesting a reduction of federal operating assistance. The fiscal year 1995 total FTA budget of $4.8 billion is higher than the fiscal year 1994 budget, but also proposes a cut in operating assistance. The $600-million level of operating assistance for urbanized areas, proposed in the fiscal year 1995 budget, is 25 percent below the $802 million in operating assistance that annually has been provided since 1990. The 25-percent reduction is modest, however, compared to operating assistance cuts proposed by past administrations.

### Trends in Federal Operating Assistance

Operating assistance pays for such activities as vehicle maintenance and operations, as distinct from major capital investments, such as bus and rail car purchases or construction of rail lines. Federal transit operating assistance is available for urbanized areas through FTA's section 9 program, which is the primary source of federal transit funding distributed by formula.[4] Section 9 supports both capital and operating assistance. Operating assistance is made available through the operating limit, which sets aside a portion of funds that can support either operating or capital expenses. FTA officials note that the majority of the operating limit is used for operating purposes. As discussed below, federal funds provided by the section 9 operating

[4]Urbanized areas are those communities with populations of 50,000 or greater, as specified by the Bureau of the Census. A small amount of additional operating assistance is distributed by formula to rural areas through FTA's section 18 program. For fiscal year 1995, the President's budget proposes total section 18 capital and operating assistance of $154 million, which is 19 percent higher than the fiscal year 1994 level.

limit accounted for about 5 percent of total operating funding to the nation's urbanized areas in 1991. State assistance accounted for about 20 percent of total funding, local assistance for about 40 percent, and passenger fares accounted for 35 percent of total funding.

As shown in attachment I, in the early 1980s, the section 9 operating limit exceeded $1 billion annually. Since 1988, the operating limit has held steady at slightly over $800 million. Attachment I also shows that the purchasing power of this apparently consistent level of funding has been somewhat eroded by inflation. The proposed $600-million level of operating assistance for fiscal year 1995 is 45 percent below the $1.1 billion fiscal year 1995 operating limit proposed in ISTEA.

## Effect of Reduction on Transit Operations Is Uncertain

The reduction in operating assistance is proposed within the context of a total transit budget of $4.8 billion. By holding the operating limit to $600 million, the administration is able to propose a higher federal commitment to the capital portion of the section 9 program, which is proposed to increase to $2.05 billion, or 44 percent over the fiscal year 1994 level. Thus, the administration has decided to place top priority on capital funding, which the Secretary of Transportation termed a "more strategic investment" in February 23, 1994, testimony before this Subcommittee. The Administration's continuing commitment to capital investment stems from the economic view that such investments increase productivity and yield long-term returns on investment such as job creation and economic development.

Transit agencies, as represented by the American Public Transit Association, take issue with the proposed reduction in federal operating assistance. The Association contends that agencies will not have the resources to cover such a loss and will have to turn to service cutbacks and fare increases to bridge the gap. To support this argument, the Association surveyed its members on how they would respond to a 25-percent cut in federal operating assistance. Of the 120 respondents, 70 percent said that they would raise fares, and 83 percent said that service cutbacks were a likely outcome. The Association further notes that fare increases and service reductions could trigger a decline in ridership. This decline would exacerbate the fact that transit ridership has declined as a share of total national travel.

FTA officials believe that with increases in federal capital assistance, transit agencies will gain the flexibility to move state and local funds that were previously slated for capital purposes to their operating budgets. The extent to which agencies can make these transfers depends, in part, on how much surplus capital funding is available to move into the operating budget after the state and local match of federal capital funding has been met. It appears that transit agencies' ability to make such transfers will vary and will have a significant bearing on the extent to which transit agencies will have to turn to other sources of revenue to cover their operating costs.

Transit advocates also note that opportunities for transit agencies to obtain additional state and local subsidies may be constrained by the fact that they have regularly looked to higher state and local contributions to meet their operating assistance needs throughout the 1980s. Transit systems' operating budgets have increased over time, which has resulted in the federal share of total transit operating revenues declining from 16.8 percent in 1980 to about 6 percent in 1992, according to the American Public Transit Association.[5] Transit agencies have compensated for the decline in federal share by obtaining operating revenues from other sources, primarily higher state and local subsidy levels. State assistance, as a share of total operating revenues, has increased about 8 percent from 1987 to 1991, with local assistance's share increasing about 6 percent during the same period. In contrast, passenger fares as a share of total operating funding fell about 5 percent.

Transit agencies' reliance on federal assistance varies among urbanized areas of different sizes. In general, larger urban areas tend to rely less on federal aid. In 1991, for example, federal operating assistance comprised about 4 percent of total operating revenues for urban areas with populations over 1 million. In contrast, in 1991, federal operating assistance comprised over 20 percent of total operating revenues for smaller urban areas with populations between 50,000 and 200,000. Averages, however, do not always convey reality. For example, in 1992 federal assistance for the city of Detroit's Department of Transportation comprised 10 percent of total operating funds, which is more than double the average figure of 4 percent that applies to urbanized areas in Detroit's population category.

## Unfunded Federal Mandates Impose Additional Operating Expenses

The proposed reduction of federal operating assistance may come at an inopportune time for many transit agencies because a series of federal mandates are presenting them with additional operating expenses. FTA estimates that transit operating expenses associated with the ADA (which we have already discussed), the Clean Air Act Amendments, and federal drug and alcohol testing requirements,

[5]The American Public Transit Association's 6-percent figure is slightly higher than the 5-percent share reported by FTA because the Association's figure includes sources of federal transit operating assistance other than the section 9 operating limit.

could total about $850 million annually when fully implemented. The largest cost is for the ADA, estimated at $653 million by FTA.[6] Operating expenses associated with the Clean Air Act Amendments are estimated by FTA to be $155 million annually, and the costs for drug and alcohol testing are estimated at $42 million annually.

Difficult Budgetary Choices Lie Ahead

If the Congress elects to appropriate an FTA budget consistent with the administration's proposal, increases in formula capital funding over fiscal year 1994 levels will be made available to the nation's transit systems, though operating assistance will be reduced by 25 percent. Alternatively, a decision to fund operating assistance at its 1994 level could present other difficult budgetary decisions. Specifically, looking within the FTA budget for the outlays needed to fund operating assistance at the $800 million level would be complicated by the fact that the tradeoff between operating and capital assistance is not a dollar-for-dollar exchange. This is because operating funds are spent more quickly than capital funds.

As a result, adding $200 million to the section 9 operating limit could require about a $2.4 billion cut in appropriations for transit capital programs, assuming that outlays in FTA's budget are held to the same level assumed in the President's budget and that the FTA budget is selected as the source for the additional funding.[7] As noted, the need for such a large cut in capital programs results from the different rates at which capital and operating funds are spent. Budget analysts at the Congressional Budget Office and at the Office of Management and Budget assume that 60 percent of every dollar appropriated for operating assistance is actually spent in that same year. In contrast,

---

[6]As noted by FTA officials, the estimated $653 million comprises the $600 million in operating expenses to section 9 operators associated with the ADA's paratransit requirements, as well as about $53 million in operating expenses related to the ADA's nonparatransit requirements. Maintenance of wheelchair lifts is one of the main components of this figure.

[7]Each year, budget authority and outlays for FTA and other federal agencies are constrained by a statutory budget authority cap and outlay cap defined in the Budget Enforcement Act of 1990, P.L. 101-508, as amended. The caps were designed to control federal spending. While the President's budget proposes certain budget authority and outlay levels for individual agencies, during the appropriations process, the Congress may either accept the mix of levels incorporated in the President's budget or allot a different mix of levels among individual government agencies, as long as the overall governmentwide caps for budget authority and outlays are not exceeded.

analysts assume that just 5 percent of every dollar appropriated for section 9 capital assistance is actually spent in that same year. The reason for capital programs' slow spend-out rate is that major capital projects typically take several years to get started.

The disparity in spend-out rates between capital and operating assistance can cause operating assistance reductions to seem tempting, as $1 cut from operating subsidies can translate into as much as $12 in increased section 9 capital grants for the year of appropriation. However, shifting funding to the capital side yields short-term budgetary benefits, as unpaid obligations will still have to be paid out in future years. In addition, given the likelihood that federal outlays will continue to be constrained in the future, capital commitments made today may translate into a reduction in flexibility for choices in future years. This is because outlays resulting from slow-spending programs will consume a substantial portion of the few remaining opportunities for additional outlays in the future. Making a larger capital commitment today, however, may yield more substantial long-term returns on investment than will short-term operating subsidies.

Both the House and Senate Budget Committees call for fiscal year 1995 DOT outlay levels that could both accommodate an operating limitation at the fiscal year 1994 level within the section 9 program and still permit increases in the section 9 capital program over the 1994 level. While this approach would help eliminate the need for difficult tradeoffs within the FTA budget or the DOT-wide budget, it would necessitate that funding be taken away from other areas of discretionary federal spending. If the Appropriations Committees do not elect to follow the Budget Committees' proposals to raise outlay levels for FTA, the task of setting priorities and weighing the tradeoffs between capital and operating needs and assistance within the FTA budget will present these Committees with difficult choices.

- - - - -

In summary, Mr. Chairman, ISTEA has brought the transportation community to a new crossroads for capital investment decisionmaking. Cross modal alternatives are now considered for major investments and all levels of government are in partnership with special interest groups and others to consider the alternatives. With this change comes an evolution of the federal role. FTA and FHWA are still formulating how and when they can combine the roles of project overseer and partner to ensure that federal dollars are invested in a cost-effective manner.

In addition, weighing the relative benefits of providing operating versus capital assistance presents a dilemma that must be addressed within a constrained budget environment. Further complicating this issue is the fact that several unfunded federal mandates, such as the ADA, will significantly raise the costs of operating the nation's transit systems in this and future years.

Mr. Chairman, this concludes my testimony. We would be happy to respond to any questions that you and the other members of the Subcommittee might have.

ATTACHMENT I

Authorization, Budget Request, and Appropriation Amounts for Transit Operating Assistance, FY 1980-1995

Dollars in millions

| Fiscal year | Authorized operating assistance limitation | Budget request | Appropriation (Nominal dollars) | Appropriation (Real 1993 dollars) |
|---|---|---|---|---|
| 1980[a] | 1280.0 | 1075.0 | 1105.0 | 1915.1 |
| 1981[a] | 1295.0 | 1200.0 | 875.0 | 1378.0 |
| 1982[a] | 1105.0 | 1105.0 | 1035.6 | 1534.2 |
| 1983[a] | 865.6 | 640.0 | 875.0 | 1246.4 |
| 1984 | 870.1 | 275.0 | 870.1 | 1187.0 |
| 1985 | 870.6 | 545.0 | 871.3 | 1146.4 |
| 1986 | 867.5 | 0.0 | 871.3 | 1117.1 |
| 1987 | 867.3 | 111.9 | 860.7 | 1069.2 |
| 1988 | 912.6 | 111.9 | 804.7 | 961.4 |
| 1989 | 918.1 | 160.0 | 804.7 | 920.7 |
| 1990 | 923.9 | 119.5 | 802.3 | 879.7 |
| 1991 | 934.0 | 297.8 | 802.3 | 846.3 |
| 1992 | 995.9 | 297.8 | 802.3 | 822.9 |
| 1993 | 1028.5 | 217.0 | 802.3 | 802.3 |
| 1994 | 1055.5 | 802.3 | 802.3 | 785.0 |
| 1995 | 1090.0 | 600.0 | [b] | [b] |

Source: GAO analysis of FTA data. Nominal dollars are converted to real dollars using the Gross Domestic Product deflator.

[a]Figures for fiscal years 1980 through 1983 refer to tiers 1, 2, and 3 of the section 5 program. The section 5 program preceded section 9, and funding provided through tiers 1, 2, and 3 of the program was available for operating or capital uses. Figures for fiscal years 1984 and following refer to the section 9 operating limit.

[b]Appropriations for fiscal year 1995 have not yet been made.

(345614)

## Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are $2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

U.S. General Accounting Office
P.O. Box 6015
Gaithersburg, MD 20884-6015

or visit:

Room 1000
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders may also be placed by calling (202) 512-6000
or by using fax number (301) 258-4066.

PRINTED ON RECYCLED PAPER

United States
General Accounting Office
Washington, D.C. 20548-0001

Bulk Mail
Postage & Fees Paid
GAO
Permit No. G100

Official Business
Penalty for Private Use $300

Address Correction Requested