



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

~~18137~~
115253

B-200685

May 14, 1981

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



115253

On March 19, 1981, the [President's eighth special message for fiscal year 1981] was transmitted to the Congress pursuant to the Impoundment Control Act of 1974. The special message proposes 33 rescissions of budget authority totalling \$2.8 billion and one new deferral totalling \$8.0 million.

Former President Carter submitted 33 rescission proposals in the third special message, dated January 15, 1981. President Reagan had converted these rescissions into deferrals in his fifth special message. We stated in our response to the President's fifth special message dated March 11, 1981, that if the rescissions later were resubmitted, the temporary conversion to deferrals should not result in the President having a new 45-day withholding period, but should only toll the running of the 45-day period. Therefore, since 22 days had already run before the conversion to deferrals took place, the rescissions resubmitted in this special message were subject to a 23-day withholding period which ended on April 27, 1981. Our review of apportionment forms furnished by the Office of Management and Budget (OMB) shows that on April 28, 1981, the subject budget authority was apportioned by OMB to the proper agencies for allotment to the programs involved since none of the proposed rescissions have been enacted.

The impoundments proposed in the eighth special message are as follows:

DEPARTMENT OF COMMERCE

- R81-123 National Oceanic and Atmospheric
Administration
Operations, Research, and Facilities
13X1450
- R81-124 National Telecommunications and
Information Administration
Public Telecommunications Facilities,
Planning and Construction
13X0551

016940

DEPARTMENT OF EDUCATION

- R81-125 Office of Elementary and Secondary
Education
School Assistance in Federally Affected
Areas
9110102
910/10102
91X0102
- R81-126 Office of Elementary and Secondary
Education
Elementary and Secondary Education
9110100
911/20100
910/10100
- R81-127 Office of Vocational and Adult
Education
Vocational and Adult Education
9110400
91X0400
910/10400
911/20400
- R81-128 Office of Postsecondary Education
Student Loan Insurance
91X0230

The estimated effects section of R81-128 states that the number of parent loan recipients would "decrease from one billion to 600 million." However, an agency official told us that the effects section should read "the number of parent loan recipients would decrease from 1 million to 600,000."

- R81-129 Office of Postsecondary Education
Higher and Continuing Education
9110201
910/10201
911/20201
91X0201

DEPARTMENT OF ENERGY

- R81-130 Energy Programs
Energy Supply, Research and Development
Activities - Operating Expenses
89X0224

- R81-131 Energy Programs
Energy Supply, Research and Development
Activities - Plant and Capital Equipment
89X0225
- R81-132 Energy Programs
Fossil Energy Research and Development
89X0213
- R81-133 Energy Programs
Energy Conservation
89X0215

GAO issued two recent reports (EMD 81-2, December 23, 1980, and EMD-81-8, February 11, 1981) examining building energy performance standards, and DOE's Residential Conservation Service (RCS) and public information programs. Both would be affected by this rescission. In EMD 81-2 we pointed out that while mandatory building performance standards may not be justified, establishing a voluntary standard could be cost effective and increase conservation. In EMD-81-8, we concluded that the Administration's proposal (R81-133) to abandon the RCS fails to recognize the timely and important contribution energy conservation can make and the potential role RCS can play in achieving voluntary residential conservation.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

- R81-134 Health Services Administration
Health Services
7510350

The estimated effects section for the primary care research demonstration program in this special messages states that "this rescission will reduce the number of projects from 33 to 24. All 33 projects proposed for funding in 1981 are continuations of ongoing projects which are nearing completion."

The special message does not identify the nine projects that are affected by the rescission proposal. Program officials told us that not all 33 projects proposed for funding in 1981 are continuations of ongoing projects nearing completion. Only about nine of the projects will complete their fifth year--the normal life span for a project--in fiscal year 1981. About 17 of the projects have operated for less than 2 years. Program officials also disagreed with statements in the special message that (1) essential research and demonstration activities have

been completed and the projects are principally engaged in further data analyses and (2) little more is gained by continuing these analytical efforts. These officials stated that because of legislative changes in the program, 12 projects which are less than 2 years old are, in fact, testing and demonstrating principles which are quite different than those addressed by the other projects.

- R81-135 Centers for Disease Control
 Preventive Health Services
 7510943

- R81-136 National Institutes of Health
 National Cancer Institute
 7510849

- R81-137 National Institutes of Health
 National Heart, Lung and Blood Institute
 7510872

- R81-138 National Institutes of Health
 National Institute of Dental Research
 7510873

- R81-139 National Institutes of Health
 National Institute of Arthritis,
 Metabolism, and Digestive Diseases
 7510884

- R81-140 National Institutes of Health
 National Institute of Neurological and
 Communicative Disorders and Stroke
 7510886

The proposed cut of \$2.357 million for research training discussed in the estimated effects section of this message was based on an OMB directive dated February 15, 1981, stating that NIH could not fund indirect costs and institutional allowances for training grants. However, when the directive was issued, the National Institute of Neurological and Communicative Disorders and Stroke (NINCDS) had already made about one-fourth of its training awards, which included about \$500,000 in indirect costs and institutional allowances. A legal decision has been requested from the Department of Health and Human Services as to whether payments for these costs can be recovered under grants already awarded, if the rescission is approved.

R81-141 National Institutes of Health
National Institute of Child Health and
Human Development
7510844

R81-142 National Institutes of Health
National Eye Institute
7510887

R81-143 National Institutes of Health
National Institute of Environmental
Health Sciences
7510862

R81-144 National Institutes of Health
National Institute of Aging
7510843

R81-145 National Institutes of Health
Research Resources
7510848

R81-146 National Institutes of Health
National Library of Medicine
7510807

R81-147 National Institutes of Health
Office of the Director
7510846

R81-148 Alcohol, Drug Abuse, and Mental Health
Administration
Alcohol, Drug Abuse, and Mental Health
7511351

R81-149 Health Resources Administration
Health Resources
7510712

R81-150 Human Development Services
Human Development Services
7511636

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

R81-151 Housing Programs
Congregate Services Program
869/40178
860/40178
861/40178

COMMUNITY SERVICES ADMINISTRATION

R81-152 Community Services Program
8110500

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

R81-153 Salaries and Expenses
9512800

POSTAL SERVICE

R81-154 Payment to the Postal Service Fund
18X1001

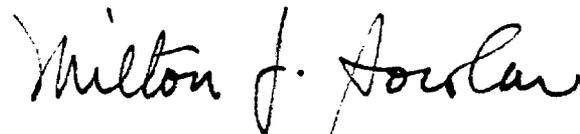
TENNESSEE VALLEY AUTHORITY

R81-155 Tennessee Valley Authority Fund
64X4110

DEPARTMENT OF HEALTH AND HUMAN SERVICES

D81-104 Social Security Administration
Limitation on Administrative Expenses
(Construction)
75X8704

We have reviewed the eighth 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 deferral is in accordance with existing authority.



Acting Comptroller General
of the United States