

## RESCISSION PROPOSALS

This budget contains proposals to reduce 1997 spending by \$5.2 billion. These proposed reductions include \$0.4 billion in proposed rescissions detailed below and \$4.8 billion in reduced limitations and other proposed savings detailed in the Supplemental Proposals chapter of the Budget.

Under the provisions of the Impoundment Control Act of 1974 (Public Law 93-344), whenever the President proposes a rescission of enacted appropriations, a special message must be sent to the Congress giving details of the proposals. Included below are related budget schedules and narrative explanations of proposals submitted in a special message at the time this budget was transmitted.

### Department of Agriculture FOREIGN AGRICULTURAL SERVICE

#### P.L. 480 GRANTS—TITLES I (OFD), II, AND III (Rescission proposal)

##### Program and Financing (in millions of dollars)

Identification code 12-2278-5-1-151	1996 actual	1997 est.	1998 est.
<b>Obligations by program activity:</b>			
00.01 Ocean freight differential .....		-4	
10.00 Total obligations (object class 41.0) .....		-4	
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		-4	
23.95 New obligations .....		4	
<b>New budget authority (gross), detail:</b>			
40.35 Appropriation rescission proposal (R97-1) .....		-4	
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation .....			-2
73.10 New obligations .....		-4	
73.20 Total outlays (gross) .....		2	1
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation .....		-2	
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....		-2	
86.93 Outlays from current balances .....			-1
87.00 Total outlays (gross) .....		-2	-1
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		-4	
90.00 Outlays .....		-2	-1

The Administration and the Congress agreed to make market development the primary purpose of the P.L. 480 direct credit program in the 1996 Farm Bill. This streamlined focus allows for a greater targeting of program resources on the most promising market development opportunities. This \$3.5 million rescission of Title I Ocean Freight Differential funds, when combined with a proposed rescission of \$46.5 million in subsidy budget authority in the P.L. 480 direct credit program account, totals a proposed \$50 million reduction that would bring the net 1997 budget authority for the program as a whole to \$151 million. Commodity shipments would be reduced by approximately 200,000 metric tons as a result of this proposed rescission. However, allocations of Title I commodity assistance that have already been announced for 1997 would not be affected by the proposed rescission because the reduction in program funding will be taken from a reserve

of unallocated funds and from unobligated funds carried over from 1996.

#### P.L. 480 PROGRAM ACCOUNT

#### (Rescission proposal)

##### Program and Financing (in millions of dollars)

Identification code 12-2277-5-1-351	1996 actual	1997 est.	1998 est.
<b>Obligations by program activity:</b>			
10.00 Total obligations (object class 41.0) .....		-46	
<b>Budgetary resources available for obligation:</b>			
22.00 New budget authority (gross) .....		-46	
23.95 New obligations .....		46	
<b>New budget authority (gross), detail:</b>			
40.35 Appropriation rescission proposal (R97-2) .....		-46	
<b>Change in unpaid obligations:</b>			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation .....			-20
73.10 New obligations .....		-46	
73.20 Total outlays (gross) .....		26	17
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation .....		-20	-3
<b>Outlays (gross), detail:</b>			
86.90 Outlays from new current authority .....		-26	
86.93 Outlays from current balances .....			-17
87.00 Total outlays (gross) .....		-26	-17
<b>Net budget authority and outlays:</b>			
89.00 Budget authority .....		-46	
90.00 Outlays .....		-26	-17

#### Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 12-2277-5-1-351	1996 actual	1997 est.	1998 est.
<b>Direct loan levels supportable by subsidy budget authority:</b>			
1150 Direct loan levels .....		-46	
1159 Total direct loan levels .....		-46	
<b>Direct loan subsidy (in percent):</b>			
1320 Subsidy rate .....		81.79	0.00
1329 Weighted average subsidy rate .....		81.79	0.00
<b>Direct loan subsidy budget authority:</b>			
1330 Subsidy budget authority .....		-46	
1330 Subsidy budget authority—Re-estimate .....			
1339 Total subsidy budget authority .....		-46	
<b>Direct loan subsidy outlays:</b>			
1340 Subsidy outlays .....		-26	-18
1349 Total subsidy outlays .....		-26	-18

The Administration and the Congress agreed to make market development the primary purpose of the P.L. 480 Title I direct credit program in the 1996 Farm Bill. This streamlined focus allows for a greater targeting of program resources on the most promising market development opportunities. This \$46.5 million proposed rescission in subsidy budget authority, when combined with a rescission of \$3.5 million Title I Ocean Freight Differential funds in the P.L. 480 Grant account totals a proposed \$50 million reduction that would bring the net 1997 budget authority for the program as a

P.L. 480 PROGRAM ACCOUNT—Continued

whole to \$151 million. Commodity shipments would be reduced by approximately 200,000 metric tons as a result of this proposed rescission. However, allocations of Title I commodity assistance that have already been announced for 1997 would not be affected by the proposed rescission because the reduction in program funding will be taken from a reserve of unallocated funds and from unobligated funds carried over from 1996.

**Department of Defense—Military  
MILITARY PERSONNEL**

RESERVE PERSONNEL, ARMY  
(Rescission proposal)

Program and Financing (in millions of dollars)

Identification code 21-2070-5-1-051	1996 actual	1997 est.	1998 est.	1999 est.
Obligations by program activity:				
10.00 Total obligations (object class 11.7) .....		-20		
Budgetary resources available for obligation:				
22.00 New budget authority (gross) .....		-20		
23.95 New obligations .....		20		
New budget authority (gross), detail:				
40.35 Appropriation rescission proposal (R97-3) .....		-20		
Change in unpaid obligations:				
72.40 Unpaid obligations, start of year: Obligated balance: Appropriation .....			-2	-1
73.10 New obligations .....		-20		
73.20 Total outlays (gross) .....		18	1	
74.40 Unpaid obligations, end of year: Obligated balance: Appropriation .....		-2	-1	
Outlays (gross), detail:				
86.90 Outlays from new current authority .....		-18		
86.93 Outlays from current balances .....			-1	
87.00 Total outlays (gross) .....		-18	-1	
Net budget authority and outlays:				
89.00 Budget authority .....		-20		
90.00 Outlays .....		-18	-1	

Due to a change in training schedules, the funds proposed for rescission are in excess of requirements and are not needed for pay and allowances of reserve personnel in 1997.

**OPERATION AND MAINTENANCE**

OPERATION AND MAINTENANCE, DEFENSE-WIDE  
(Rescission proposal)

Program and Financing (in millions of dollars)

Identification code 97-0100-5-1-051	1996 actual	1997 est.	1998 est.	1999 est.
Obligations by program activity:				
10.00 Total obligations (object class 25.2) .....		-10		
Budgetary resources available for obligation:				
22.00 New budget authority (gross) .....		-10		
23.95 New obligations .....		10		
New budget authority (gross), detail:				
40.35 Appropriation rescission proposal (R97-4) .....		-10		
Change in unpaid obligations:				
72.40 Unpaid obligations, start of year: Obligated balance: Appropriation .....			-3	-1

73.10 New obligations .....	-10		
73.20 Total outlays (gross) .....	7	2	
74.40 Unpaid obligations, end of year: Obligated balance: Appropriation .....	-3	-1	-1
Outlays (gross), detail:			
86.90 Outlays from new current authority .....	-7		
86.93 Outlays from current balances .....		-2	
87.00 Total outlays (gross) .....	-7	-2	
Net budget authority and outlays:			
89.00 Budget authority .....	-10		
90.00 Outlays .....	-7	-2	

Due to slight variations in force structure and training schedules, the funds proposed for rescission are in excess of requirements and are not needed for training and other activities funded by this account. Funds would be rescinded from low-priority Reserve programs.

**PROCUREMENT**

NATIONAL GUARD AND RESERVE EQUIPMENT  
(Rescission proposal)

Program and Financing (in millions of dollars)

Identification code 97-0350-5-1-051	1996 actual	1997 est.	1998 est.	1999 est.
Obligations by program activity:				
10.00 Total obligations (object class 31.0) .....		-21	-13	-8
Budgetary resources available for obligation:				
21.40 Unobligated balance available, start of year: Uninvested balance .....			-21	-8
22.00 New budget authority (gross) .....		-42		
23.90 Total budgetary resources available for obligation .....		-42	-21	-8
23.95 New obligations .....		21	13	8
24.40 Unobligated balance available, end of year: Uninvested balance .....		-21	-8	
New budget authority (gross), detail:				
40.35 Appropriation rescission proposal (R97-5) .....		-42		
Change in unpaid obligations:				
72.40 Unpaid obligations, start of year: Obligated balance: Appropriation .....			-14	-12
73.10 New obligations .....		-21	-13	-8
73.20 Total outlays (gross) .....		7	15	10
74.40 Unpaid obligations, end of year: Obligated balance: Appropriation .....		-14	-12	-11
Outlays (gross), detail:				
86.90 Outlays from new current authority .....		-7		
86.93 Outlays from current balances .....			-15	-10
87.00 Total outlays (gross) .....		-7	-15	-10
Net budget authority and outlays:				
89.00 Budget authority .....		-42		
90.00 Outlays .....		-7	-15	-10

Budget Plan (in millions of dollars)  
Outlays

Identification code 97-0350-5-1-051	1996 actual	1997 est.	1998 est.	1999 est.
0702 Equipment .....		-42		

The funds proposed for rescission are in excess of amounts necessary to meet all required equipment needs. Rescission of these funds would not affect military readiness.

**Department of Housing and Urban Development**  
**PUBLIC AND INDIAN HOUSING PROGRAMS**

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING  
 (Rescission proposal)

Program and Financing (in millions of dollars)

Identification code 86-0164-5-1-604	1996 actual	1997 est.	1998 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)		-250	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		-250	
23.95 New obligations		250	
New budget authority (gross), detail:			
40.35 Appropriation rescission proposal (R97-6)		-250	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation			-240
73.10 New obligations		-250	
73.20 Total outlays (gross)		10	25
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation		-240	-215

Outlays (gross), detail:			
86.90	Outlays from new current authority	-10	
86.93	Outlays from current balances		-25
87.00	Total outlays (gross)	-10	-25
Net budget authority and outlays:			
89.00	Budget authority	-250	
90.00	Outlays	-10	-25

This proposal would rescind approximately \$250 million of obligated balances estimated to be recaptured during 1997. These recaptures will result from the elimination of excess funds available on some long-term section 8 contracts, the cancellation of reservations for public housing development projects that are unable to proceed to construction, and the recapture of funds from inactive programs. It is anticipated that \$325 million in recaptures will be realized during 1997. Pursuant to section 214 of P.L. 104-204, \$25 million of these recaptures will be transferred to the Housing Opportunities for Persons with AIDS (HOPWA) program and \$50 million will be used for the Preservation program. The remaining amount, approximately \$250 million, is proposed for rescission.