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Financial Services and General Government (FSGG): FY2015 Appropriations

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Summary

The Financial Services and General Government (FSGG) appropriations bill includes funding for the Department of the Treasury, the Executive Office of the President (EOP), the judiciary, the District of Columbia, and more than two dozen independent agencies. In its current form, it has existed since the 2007 reorganization of the House and Senate Committees on Appropriations. The House and Senate FSGG bills fund nearly the same agencies, with the exception of the Commodities and Futures Trading Commission (CFTC), which is funded through the Agriculture appropriations bill in the House and the FSGG bill in the Senate. The FSGG bill does not include many financial regulatory agencies, which are funded outside of the appropriations process.

On March 4, 2014, President Obama submitted his FY2015 budget request. The request included a total of $45.2 billion for agencies funded through the FSGG appropriations bill, including $280 million for the CFTC.

On July 2, 2014, the House Committee on Appropriations reported the Financial Services and General Government Appropriations Act, 2015 (H.R. 5016, H.Rept. 113-508, H.Rept. 113-508). The House of Representatives amended and passed H.R. 5016 on July 16, 2014. H.R. 5016 as passed would have provided $42.3 billion for agencies funded through the House FSGG Appropriations Subcommittee bill. In addition, the CFTC would have received $217.6 million through the FY2015 Agriculture appropriations bill (H.R. 4800, H.Rept. 113-468). Total FY2015 funding in the House would have been $42.5 billion, about $2.7 billion below the President's FY2015 request.

On July 24, 2014, the Senate Appropriations Subcommittee on Financial Services and General Government (hereinafter "the Senate subcommittee") reported an unnumbered original bill as the Financial Services and General Government Appropriations Act, 2015. The Senate subcommittee bill would have provided $44.1 billion for FSGG agencies, including $280 million for the CFTC, approximately $1.1 billion below the President's FY2015 request.

Prior to the beginning of FY2015, congressional action occurred on an interim continuing resolution (CR) that would have provided continuing appropriations for projects and activities for which authority existed during the previous fiscal year. H.J.Res. 124 passed the House on September 17 and the Senate on September 18, 2014, and it was signed by the President on September 19, 2014 (P.L. 113-164). P.L. 113-164 provided funding through December 11, 2014. Two additional CRs were passed prior to a final FY2015 FSGG appropriation. H.J.Res 130 (P.L. 113-202) was enacted on December 12, providing funding through December 13, 2014, and H.J.Res 313 (P.L. 113-302) was enacted on December 13, providing funding through December 17, 2014.

The full FY2015 FSGG appropriation was enacted as Division E of H.R. 83, the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235). The bill was passed as an amendment to a previously passed bill in the House on December 11 and the Senate on December 13, 2014. It was signed by the President on December 16, 2014. P.L. 113-235 provided a total of $43.2 billion for the FSGG agencies, $2 billion less than the original request.

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Administration and Congressional Action

On March 4, 2014, President Obama submitted his FY2015 budget request,[1] which included a total of $45.2 billion for agencies funded through the Financial Services and General Government (FSGG) appropriations bill, including $280 million for the Commodity Futures Trading Commission (CFTC).[2]

On July 2, 2014, the House Committee on Appropriations (hereinafter "the House committee") reported the Financial Services and General Government Appropriations Act, 2015 (H.R. 5016, H.Rept. 113-508).[3] The House of Representatives considered H.R. 5016 on July 16, 2014, amending the bill and then passing it on a vote of 228-208. H.R. 5016 as passed would have provided $42.3 billion for agencies funded through the House FSGG Appropriations Subcommittee bill. Separately, the House FY2015 Agriculture appropriations bill (H.R. 4800, H.Rept. 113-468) would have provided $217.6 million for the CFTC.[4] Total FY2015 funding in the House bills would have been $42.5 billion, about $2.7 billion below the President's FY2015 request.

On July 24, 2014, the Senate Appropriations Subcommittee on Financial Services and General Government (hereinafter "the Senate subcommittee") reported an unnumbered original bill as the Financial Services and General Government Appropriations Act, 2015. It also released a draft subcommittee report.[5] The Senate subcommittee bill would have provided $44.1 billion for FSGG agencies, including $280 million for the CFTC, approximately $1.1 billion below the President's FY2015 request. **Table 1** reflects the status of FSGG appropriations measures at key points in the appropriations process.

Prior to the beginning of FY2015, congressional action occurred on an interim continuing resolution (CR) to provide continuing appropriations for projects and activities for which authority existed during the previous fiscal year.[6] H.J.Res. 124 passed the House on September 17, 2014, passed the Senate on September 18, 2014, and was signed by the President on September 19, 2014 (P.L. 113-164). P.L. 113-164 provided funding through December 11, 2014. Two additional CRs were passed prior to a final FY2015 FSGG appropriation: (1) H.J.Res 5016 (P.L. 113-202) was enacted on December 12, providing funding through December 13, 2014; and

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[1] Office of Management and Budget (OMB), *Budget of the United States Government, Fiscal Year 2015* (Washington, DC: GPO, 2014). In addition to the primary budget document, OMB also releases portions entitled *Analytical Perspectives*, *Historical Tables*, and *Appendix*. Citations to the primary budget document will take the form of "*Budget of the United States, FY2015,"* followed by the appropriate page number; citations to the other documents will take the form of, for example, "*Analytical Perspectives, Budget of the United States, FY2015,*" followed by page numbers. Current and past year's budget documents can be found at http://www.whitehouse.gov/omb/budget.

[2] The President's budget does provide totals broken down by congressional appropriations bills. The $45.2 billion total is as calculated by the House Appropriations Committee. The Commodities Futures Trading Commission (CFTC) is funded in the House through the Agriculture appropriations bill and in the Senate through the Financial Services and General Government (FSGG) bill.

[3] U.S. Congress, House Committee on Appropriations, *Financial Services And General Government Appropriations Bill, 2015*, report to accompany H.R. 5016, 113th Cong., 2nd sess., H.Rept. 113-508 (Washington: GPO, 2014).

[4] U.S. Congress, House Committee on Appropriations, *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill, 2015*, report to accompany H.R. 4800, 113th Cong., 2nd sess., H.Rept. 113-468 (Washington: GPO, 2014).

[5] For full copies of the original bill and draft report, see the Senate Appropriations Committee website at http://www.appropriations.senate.gov/news/fy15-fsgg-subcommittee-reported-bill-and-draft-report.

[6] For further information with regard to continuing resolutions (CRs), see CRS Report R42647, *Continuing Resolutions: Overview of Components and Recent Practices*, by Jessica Tollestrup.

(2) H.J.Res 313 (P.L. 113-203) was enacted on December 13, providing funding through December 17, 2014.

The full FY2015 FSGG appropriations were enacted as Division E of H.R. 83, the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235). H.R. 83 was introduced as a measure relating to the energy needs of the insular areas of the United States. The appropriations language was adopted as an amendment in the House on December 11, 2014. The amended bill passed the Senate on December 13, 2014, and was signed by the President on December 16, 2014. P.L. 113-235 provided a total of $43.2 billion for the FSGG agencies, $2 billion less than the original request. In lieu of a report on H.R. 83, the chairman of the House Committee on Appropriations submitted an explanatory statement, printed in the *Congressional Record* for December 11, 2014,[7] henceforth referred to as "Explanatory Statement, Consolidated and Further Appropriations Act, 2015."

Table 1. Status of FY2015 Financial Services and General Government Appropriations

Subcommittee Markup		Committee Report		Floor Consideration		Conference Report	Final Adoption		Public Law
House	Senate	House	Senate	House	Senate		House	Senate	
6/18/14	6/24/14	H.Rept. 113-508 6/25/14	None	H.R. 5106 7/16/14 253-170	None	None	H.R. 83 12/11/14 219-206	H.R. 83 12/13/14 56-40	P.L. 113-235 12/16/13

Source: Prepared by the Congressional Research Service (CRS).

Overview

The FSGG appropriations bill includes funding for the Department of the Treasury, the Executive Office of the President (EOP), the judiciary, the District of Columbia, and more than two dozen independent agencies. The bill does not, however, include funding for many financial regulatory agencies, which are funded outside of the appropriations process.[8]

The House and Senate Committees on Appropriations reorganized their subcommittee structures in early 2007. Each chamber created a new Financial Services and General Government Subcommittee. In the House, the jurisdiction of the FSGG Subcommittee comprised primarily agencies that had been under the jurisdiction of the Subcommittee on Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies, commonly referred to as "TTHUD."[9] In addition, the House FSGG Subcommittee was

[7] "Explanatory Statement Submitted By Mr. Rogers of Kentucky, Chairman of the House Committee on Appropriations Regarding the House Amendment to the Senate Amendment on H.R 83," *Congressional Record*, daily edition, vol. 160, no. 151, (December 11, 2014), p. H9307.

[8] Among these financial regulators are the Federal Reserve, the Office of Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Housing Finance Agency. For more information, see CRS Report R43391, *Independence of Federal Financial Regulators*, by Henry B. Hogue, Marc Labonte, and Baird Webel.

[9] The agencies previously under the jurisdiction of the Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies (TTHUD) Subcommittee that did not become part of the FSGG Subcommittee were the Department of Transportation (DOT), the Department of Housing and Urban Development (HUD), the Architectural and Transportation Barriers Compliance Board, the Federal Maritime

assigned four independent agencies that had been under the jurisdiction of the Science, State, Justice, Commerce, and Related Agencies Subcommittee: the Federal Communications Commission (FCC), the Federal Trade Commission (FTC), the Securities and Exchange Commission (SEC), and the Small Business Administration (SBA).

In the Senate, the jurisdiction of the new FSGG Subcommittee was a combination of agencies from the jurisdiction of three previously existing subcommittees. The District of Columbia, which had its own subcommittee in the 109th Congress, was placed under the purview of the FSGG Subcommittee, as were four independent agencies that had been under the jurisdiction of the Commerce, Justice, Science, and Related Agencies Subcommittee: the FCC, FTC, SEC, and SBA. In addition, most of the agencies that had been under the jurisdiction of the TTHUD Subcommittee were assigned to the FSGG Subcommittee.[10] As a result of this reorganization, the House and Senate FSGG Subcommittees have nearly identical jurisdictions, except that the CFTC is under the jurisdiction of the FSGG Subcommittee in the Senate and the Agriculture Subcommittee in the House.

Table 2 lists FSGG agencies enacted amounts for FY2014, the President's FY2015 request, amounts from H.R. 5016 as passed by the House and the unnumbered original bill reported by the Senate FSGG Appropriations Subcommittee, and P.L. 113-235 as enacted.

Table 2. Financial Services and General Government Appropriations, FY2014-FY2015

(in millions of dollars)

Agency	FY2014 Enacted	FY2015 Request	FY2015 House passed	FY2015 Senate Subcommittee	FY2015 Enacted
Department of the Treasury	$11,895	$12,845	$10,344	$12,012	$11,522
Executive Office of the President	670	628	669	683	688
The Judiciary	6,912	7,299	7,096	7,140	7,117
District of Columbia	673	702	637	701	680
Independent Agencies	2,305	2,769	1,943	2,557	2,293
Mandatory Retirement Accounts	20,762	20,980	20,980	20,980	20,980
Total	**$43,217**	**$45,222**	**$41,669**	**$44,073**	**$43,191**

Sources: P.L. 113-235 and Explanatory Statement; H.R. 5016 and accompanying H.Rept. 113-508; unnumbered FSGG bill reported by Senate Subcommittee; and H.R. 4800 and accompanying H.Rept. 113-468.

Notes: Totals for each column include funding for the Commodity Futures Trading Commission (CFTC). The CFTC is funded in the House through the Agriculture appropriations bill and in the Senate through the FSGG bill. Figures include rescissions and offsetting collections. The mandatory spending for the President's salary is contained in Title VI whereas the rest of presidential spending is in Title II. The mandatory retirement accounts include funding for judiciary retirement accounts. Totals may not sum due to rounding.

Commission, the National Transportation Safety Board, the Neighborhood Reinvestment Corporation, and the United States Interagency Council on Homelessness.

[10] The agencies that did not transfer from TTHUD to FSGG were DOT, HUD, the Architectural and Transportation Barriers Compliance Board, the Federal Maritime Commission, the National Transportation Safety Board, the Neighborhood Reinvestment Corporation, and the United States Interagency Council on Homelessness.

The Department of the Treasury[11]

This section examines FY2015 appropriations for the Treasury Department and its operating bureaus, including the Internal Revenue Service (IRS). The Treasury Department performs a variety of critical functions. These include protecting the nation's financial system against various illicit activities (such as money laundering and terrorist financing), collecting tax revenue and enforcing tax laws, managing and accounting for federal debt, administering the federal government's finances, regulating certain financial institutions, and producing and distributing coins and currency.

Brief Overview of the Treasury's Structure and Functions

At its most basic level of organization, Treasury consists of departmental offices and operating bureaus. In general, the offices are responsible for formulating and implementing policy initiatives and managing Treasury's day-to-day operations, while the bureaus handle specific tasks assigned to Treasury, mainly through statutory mandates. In the past decade or so, the bureaus have accounted for more than 95% of the agency's funding and workforce.

With one exception, the bureaus and offices can be neatly divided into those engaged in financial management and regulation and those engaged in law enforcement. In recent decades, the Office of the Comptroller of the Currency (OCC), U.S. Mint, Bureau of Engraving and Printing (BEP), Financial Management Service (FMS), Bureau of the Public Debt (BPD), and Community Development Financial Institutions (CDFI) Fund have been responsible for the management of the federal government's finances or the supervision and regulation of the key parts of the U.S. financial system. In contrast, law enforcement has been central to the duties managed by the Alcohol and Tobacco Tax and Trade Bureau (TTB), Financial Crimes Enforcement Network (FinCEN), and the Treasury Forfeiture Fund (TFF). (With the advent of the Department of Homeland Security [DHS] in 2002, Treasury's direct involvement in law enforcement shrank considerably.) The exception to this dichotomy is the IRS, whose main responsibilities encompass both the collection of tax revenue and the enforcement of tax laws and regulations.

The operating budgets for most Treasury bureaus and offices are largely funded through annual discretionary appropriations. This is the case for the IRS, FMS, BPD, FinCEN, TTB, Office of the Inspector General (OIG), Treasury Inspector General for Tax Administration (TIGTA), Special Inspector General for the Troubled Asset Relief Program (SIGTARP), and CDFI Fund. By contrast, funding for the Treasury Franchise Fund, U.S. Mint, BEP, and OCC comes exclusively from the fees they receive for the services and products they provide to the public and other government agencies.

A brief overview of each appropriations account for the Treasury Department follows:

Departmental Offices

The Departmental Offices (DO) account covers salaries and other expenses of offices in the department that formulate and implement policies dealing with domestic and international finance, terrorist financing and other financial crimes, taxation, and the domestic economy. Funding is also provided through DO for the Treasury Department's financial and personnel management, procurement operations, and information and telecommunications systems.

[11] This section authored by Gary Guenther.

Department-wide Systems and Capital Investments

The Department-wide Systems and Capital Investments Program (DSCIP) account covers investments in new technology and capital improvements aimed at modernizing Treasury's administrative processes and increasing the efficiency of its operations across the board.

Office of Inspector General

The OIG account covers salaries and other expenses related to the audits and investigations conducted by OIG staff. These evaluations are intended to improve the efficiency and effectiveness of Treasury's operations and programs; prevent waste, fraud, and abuse; and inform the Treasury Secretary and Congress about problems or shortcomings in those activities.

Treasury Inspector General for Tax Administration

The TIGTA account covers salaries and other expenses related to the audits and investigations conducted by TIGTA staff. These evaluations focus mainly on IRS's efforts to efficiently and effectively administer federal tax law. TIGTA's investigations are also intended to deter or prevent fraud and abuse in IRS programs and operations, and recommend changes in those activities to solve problems or remedy deficiencies.

Special Inspector General for the Troubled Asset Relief Program

The SIGTARP account covers salaries and other expenses related to the audits and investigations into the management and effectiveness of TARP conducted by SIGTARP staff. The office was established by the same law that created TARP: the Emergency Economic Stabilization Act.[12]

Financial Crimes Enforcement Network

The FinCEN account covers salaries and other expenses related to the activities of FinCEN, whose main responsibility is to protect the domestic financial system from illicit uses, such as money laundering and terrorist financing. The statutory basis for this role is the Bank Secrecy Act (BSA).[13] FinCEN administers key provisions of the act by developing and implementing regulations and other guidance and working with private financial institutions and eight federal agencies to ensure that the financial industry complies with the BSA's strict reporting requirements.

Bureau of the Fiscal Service

The Bureau of the Fiscal Service (BFS) account provides funding for two sets of functions that until FY2014 were handled by two separate operating bureaus with separate appropriations accounts: the FMS and the BPD. After the consolidation, the BFS account covers salaries and other expenses related to developing and implementing payment policies and procedures for federal agencies; collecting debts owed to those agencies and state governments; and providing financial accounting, reporting, and financing services for the federal government and its agents.

[12] P.L. 110-343. For more information, see CRS Report R41427, *Troubled Asset Relief Program (TARP): Implementation and Status*, by Baird Webel.

[13] P.L. 91-508.

In addition, the BFS account covers salaries and other expenses related to the federal government's public debt operations and the sale of U.S. bonds.

Alcohol and Tobacco Tax and Trade Bureau

The TTB account covers salaries and other expenses related to the activities of TTB, which was established by the Homeland Security Act of 2002.[14] TTB is responsible for enforcing certain laws regarding the domestic sale and production of alcohol and tobacco products and federal consumer safety laws regarding the use of alcohol and tobacco products.

Community Development Financial Institutions Fund

The account for the CDFI Fund provides funding for CDFIs' activities. These institutions, which include community development banks, credit unions, and venture capital funds, provide financing (in the form of grants, loans, and equity investments) for affordable housing projects, small businesses, and community development projects in eligible areas. In addition, the fund administers the Bank Enterprise Award (BEA) Program and the New Markets tax credit. Since its creation in 1994, the CDFI Fund has awarded more than $2 billion to CDFIs, community development entities (CDEs), and depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) through the CDFI Program, the Native American CDFI Assistance Program, and the BEA Program. In addition, the Fund has allocated $40 billion in New Markets tax credits to CDEs.

Internal Revenue Service

The IRS account covers salaries and other expenses related to the administration of federal tax laws and the collection of revenue. Two critical components of the IRS's operations and programs are (1) the services it offers taxpayers to help them understand and meet their tax obligations and (2) the measures it takes to improve voluntary taxpayer compliance and punish those who violate the law. Some appropriated funds are used to develop or upgrade business operations and information systems, as part of an ongoing effort by the IRS to improve the effectiveness and efficiency of taxpayer services and enforcement.

Table 3 lists for each of Treasury's appropriations accounts the amounts for FY2014 as enacted, the President's FY2015 request, H.R. 5016 as passed by the House, the unnumbered original bill reported by the Senate Appropriations Subcommittee on Financial Services and General Government, and P.L. 113-235 as enacted.

[14] P.L. 107-296.

Table 3. Department of the Treasury Appropriations, FY2014-FY2015

(in millions of dollars)

Appropriations Account	FY2014 Enacted	FY2015 Request	FY2015 House-passed	FY2015 Senate Subcommittee	FY2015 Enacted
Departmental Offices (Salaries and Expenses)	$312	$309	$173	$317	$210
Department-wide Systems and Capital Investments	3	3	—	3	3
Office of Terrorism and Financial Intelligence	—	—	120	—	113
Office of Inspector General	35	35	35	35	35
Treasury Inspector General for Tax Administration	156	157	159	157	158
Special Inspector General for Troubled Asset Relief Program	35	34	34	34	34
Community Development Financial Institutions Fund	226	225	231	230	231
Financial Crimes Enforcement Network	112	109	112	109	112
Bureau of the Fiscal Service[a]	360	348	348	348	348
Alcohol and Tobacco Tax and Trade Bureau	99	96	96	100	100
Payment for Losses in Shipment	2	2	2	2	2
Internal Revenue Service (total)	11,291	12,477	9,803	11,527	10,945
Taxpayer Services	*2,123*	*2,318*	*2,139*	*2,200*	*2,157*
Enforcement[b]	*5,022*	*5,372*	*3,796*	*5,054*	*4,860*
Operations Support Activities[c]	*3,741*	*4,457*	*3,618*	*3,942*	*3,638*
Business Systems Modernization	*313*	*330*	*250*	*330*	*290*
General Provision	*92*	—	—	—	—
Rescissions: Treasury Forfeiture Fund	(-736)	(-950)	(-750)	(-850)	(-769)
Total	**$11,895**	**$12,845**	**$10,344**	**$12,012**	**$11,522**

Sources: P.L. 113-235 and Explanatory Statement; H.R. 5016 and accompanying H.Rept. 113-508; unnumbered FSGG bill reported by Senate Subcommittee; and the U.S. Treasury Department.

Notes: Figures are rounded and may not sum due to rounding.

a. Starting in FY2104, the appropriations accounts for the Financial Management Service and the Bureau of Public Debt were combined into a single account called the Bureau of Fiscal Service. The main justification for the consolidation was to improve the efficacy and efficiency of Treasury's financial management operations.
b. The requested appropriations for FY2015 include $238 million in additional funds as a program integrity cap adjustment for IRS enforcement initiatives to reduce future deficits.
c. The requested appropriations for FY2015 include $242 million in additional funds as a program integrity cap adjustment for IRS enforcement initiatives to reduce future deficits.

The President's Budget Request

The President requested $13.315 billion (not including the proposed cancellation of $950 million in unobligated balances from the TFF) in appropriations for the Department of the Treasury in FY2015, or $950 million more than the amount enacted for FY2014. Under the budget request, the IRS would have received $12.477 billion. The nine other Treasury appropriations accounts identified in the proposal would have received a total of $1.318 billion.

Treasury's FY2015 budget request was intended to promote the following six "strategic" goals:[15]

1. foster domestic economic growth and stability while continuing to reform the financial system;
2. enhance U.S. competitiveness and job creation;
3. encourage international financial stability and balanced growth in the global economy;
4. reform and modernize the federal fiscal management and tax systems;
5. protect the financial system from illegal activities and use financial measures to counter threats to national security; and
6. improve the effectiveness and efficiency of government programs through the increased use of electronic transactions with customers.

More details on the Administration's budget request for each Treasury appropriations account follow.

Departmental Offices

The President's FY2015 budget request for the Treasury Department included $308.7 million in appropriations for DO, or $3.7 million less than the amount enacted for FY2014. With the addition of projected reimbursable expenses associated with activities funded through the DO account, the DO operating budget would have totaled $378.2 million in FY2015.

Of the requested amount, $37.9 million would have gone to executive direction, $57.5 million to international affairs and economic policy, $68.7 million to domestic finance and tax policy, $105.9 million to terrorism and financial intelligence, and $38.6 million to Treasury management and related programs.[16]

[15] For more details on these goals and the ways in which the budget request would promote them, see the U.S. Treasury FY2015 Congressional Justification: Departmental Summary at http://www.treasury.gov/about/budget-performance/CJ15/00.%20FY%202015%20Exec%20Summary%20for%20CJ.pdf.

[16] For more details, see U.S. Treasury FY2015 Congressional Justification: Departmental Offices at http://www.treasury.gov/about/budget-performance/CJ15/01.%20DO%20e.pdf.

Department-wide Systems and Capital Investments

The FY2015 budget request for the Treasury Department called for $2.7 million in appropriations for DSCIP, or the same amount enacted in FY2014.[17] No funds were appropriated for the account in FY2012 and FY2013.

Of the requested amount, $1.5 million would have been used to design and install a "Data Leakage Protection" system to monitor the department's outgoing data (including email) to determine if any sensitive information was being "inadvertently transmitted." The remaining $1.2 million would have been used to replace the interior rain leaders in the main Treasury building and repair or replace windows damaged by water leaks.

Office of Inspector General

The Treasury Department asked for $35.4 million in appropriated funds for OIG in FY2015, or $551,000 more than the amount enacted for FY2014.[18] Allowing for an estimated $13.0 million in payments for services rendered by OIG, its operating budget in FY2015 could have totaled $48.4 million.

The funds would have been used to conduct mandatory and other audits and investigations of the department's riskier programs and operations. Under the budget request, the Office of Audits would have received $28.3 million in appropriated funds, as well as the $13.0 million in reimbursements. Among the mandatory audits are those related to the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act),[19] the Federal Information Security Management Act,[20] the Federal Deposit Insurance Act,[21] the Improper Payments Elimination and Recovery Act,[22] and the American Recovery and Reinvestment Act of 2009. [23] In addition, OIG is responsible for conducting audits of projects and programs funded through the Gulf Coast Restoration Trust Fund; the budget request included $2.8 million for costs related to OIG's oversight of the trust fund projects and programs. The Office of Audits expects to complete 75 audits in FY2015.

The remaining $7.1 million of the requested appropriations would have been allocated to the Office of Investigations. Its main priorities for FY2015 are investigating (1) allegations of criminal and other misconduct by Treasury employees, (2) allegations of fraud and other crimes related to Treasury contracts, grants, and loan guarantees, (3) Treasury programs and operations that issue licenses, provide benefits, and regulate financial institutions, and (4) threats to Treasury employees and facilities.

[17] For more details, see U.S. Treasury FY2015 Congressional Justification: Department-wide Systems and Capital Investments at http://www.treasury.gov/about/budget-performance/CJ15/02.%20DSCIP.pdf.

[18] For more details, see U.S. Treasury FY2015 Congressional Justification: Office of Inspector General at http://www.treasury.gov/about/budget-performance/CJ15/03.%20OIG.pdf.

[19] P.L. 111-203.

[20] 44 U.S.C. §3541, et seq.

[21] 12 U.S.C. §1811, et seq.

[22] P.L. 112-248.

[23] P.L. 111-5.

Office of the Special Inspector General for the Troubled Asset Relief Program

The Treasury Department requested $34.2 million in appropriations for SIGTARP in FY2015, or $689,000 less than the amount enacted for FY2014.[24] This decrease reflected $1.5 million in anticipated efficiency savings, along with an increase of $823,000 to maintain the FY2014 level of operation. When combined with an expected $11.9 million in funds from other accounts and unobligated balances from previous years, the budget request would have given SIGTARP an operating budget of $46.2 million in FY2015.

The funds would have been used to support the office's main duties of fostering transparency in Treasury's management of TARP-funded programs for which the federal government has contracts or guarantees; assessing the effectiveness of TARP; and preventing, investigating, and referring for prosecution instances of waste, fraud, and abuse in TARP-funded programs. SIGTARP carries out its responsibilities through audits and investigations. In FY2015, according to the budget proposal, $9.2 million in appropriations (plus nearly $3.0 million in unobligated funds from previous years) would have been used to conduct audits, and $25.0 million in appropriations (plus $9.0 million in unobligated funds from previous years) would have been set aside for investigations.

Treasury Inspector General for Tax Administration

Under the Treasury Department's budget request for FY2015, TIGTA would have received $157.4 million in appropriations, or $1.0 million more than the amount enacted for FY2014.[25] This increase reflected both a $2.9 million increase in the funding required to maintain FY2014 levels of operation and a $1.8 million decrease in the FY2014 operating budget because of anticipated efficiency savings. Its operating budget in FY2015 would have been larger, owing to an anticipated $1.5 million in reimbursements for TIGTA services.

The operating budget finances the audits, investigations, and evaluations of IRS operations that TIGTA conducts as part of its mission. In FY2015, according to the budget proposal, the Office of Audit would have received $61.3 million in appropriations and $600,000 in funds from reimbursements, and the Office of Investigations would have received $96.2 million in appropriations and $900,000 in funds from reimbursements. Another $296,000 would have been used to support the federal Council of the Inspectors General on Integrity and Efficiency.

Among the top stated priorities for TIGTA in FY2015 were

- identifying opportunities to achieve cost savings and other efficiencies in IRS programs;
- mitigating security risks to IRS employees and facilities;
- improving the effectiveness of IRS's efforts to curtail taxpayer identity thefts and reduce improper refund payments;
- assessing IRS's oversight of tax-exempt entities;
- detecting waste, fraud, and abuse in IRS operations and criminal misconduct by IRS employees; and

[24] For more details, see U.S. Treasury FY2015 Congressional Justification: Special Inspector General for the Troubled Asset Relief Program at http://www.treasury.gov/about/budget-performance/CJ15/04.%20SIGTARP.pdf.

[25] For more details, see U.S. Treasury FY2015 Congressional Justification: Treasury Inspector General for Tax Administration at http://www.treasury.gov/about/budget-performance/CJ15/05.%20TIGTA.pdf.

- overseeing IRS's implementation of the tax provisions in the Affordable Care Act (ACA)[26] and the Foreign Account Tax Compliance Act (FATCA).[27]

Community Development Financial Institutions Fund[28]

The Treasury Department requested appropriations of $224.9 million for CDFI Fund in FY2015, or $1.1 million less than the amount enacted for FY2014.[29] With the addition of funds from expected reimbursements, user fees, and unobligated balances and recoveries from previous years, the budget request would have given the CDFI Fund an operating budget of $256.7 million in FY2015. Of the total requested appropriations, $151.3 million would have gone to the CDFI Program, $15.0 million to the Native American Assistance Program, $35.0 million to the Healthy Food Financing Initiative (HFFI), and $23.6 million would have covered administrative expenses.

Relative to the amount enacted for FY2014, the budget request included $462,000 to maintain FY2014 operating levels, channeled an additional $13.0 million into the HFFI, and expanded the CDFI Program by $4.9 million. By contrast, administrative costs would have decreased by $1.5 million from the amount enacted for FY2014, and no funding would have been provided for the Bank Enterprise Award Program, which received $18.0 million in FY2014.

Financial Crimes Enforcement Network

Under the Treasury Department's budget request, FinCEN would have received $108.7 million in appropriations in FY2015, or $3.3 million less than the amount enacted for FY2014.[30] With the addition of an estimated $43.5 million in reimbursements and recoveries and unobligated balances from previous years, FinCEN's operating budget would have totaled $152.2 million in FY2015. The budget request included $2.0 million for maintaining FY2014 operation levels, $1.2 million in efficiency savings, and a $4.1 million reduction in programs funding from the total amount appropriated in FY2014.

Foremost among FinCEN's stated priorities in FY2015 were

- improving the enforcement of BSA regulations across financial institutions of all sizes;
- strengthening relationships with state regulatory agencies to enhance BSA compliance and enforcement;
- improving enforcement programs by enhancing the identification of illicit financial activities;
- increasing the number of analytical projects undertaken with foreign financial intelligence units; and

[26] P.L. 111-148.

[27] P.L. 111-147.

[28] For more information on the Fund, see CRS Report R42770, *Community Development Financial Institutions (CDFI) Fund: Programs and Policy Issues*, by Sean Lowry.

[29] For more details, see U.S. Treasury FY2015 Congressional Justification: Community Development Financial Institutions Fund at http://www.treasury.gov/about/budget-performance/CJ15/06.%20CDFI%20Fund%20CJ.pdf.

[30] For more details, see U.S. Treasury FY2015 Congressional Justification: Financial Crimes Enforcement Network at http://www.treasury.gov/about/budget-performance/CJ15/07.%20FinCEN.pdf.

- refining and applying the new information technology (IT) capabilities (e.g., predictive analysis targeted at illicit activities) made possible by the recently completed BSA IT modernization project.

Alcohol and Tobacco Tax and Trade Bureau

The Treasury Department sought $96.0 million in appropriations for TTB in FY2015, or $3.0 million less than the amount enacted for FY2014.[31] Allowing for reimbursements and a transfer of enforcement funds from the IRS, the operating budget for TTB would have totaled $107.5 million in FY2015. Included in the budget request were $1.8 million to maintain FY2014 operating levels, $2.8 million in efficiency savings, and a transfer of $5.0 million to the bureau's alcohol and tobacco enforcement program from a program integrity cap adjustment to the IRS's budget for tax enforcement and compliance.[32] TTB had to reimburse the IRS $2.0 million from the transferred funds for its use of IRS special agents to combat tobacco smuggling and other criminal activities.

For FY2015, TTB's stated priorities included

- collecting $23 billion in excise tax revenue from the sale of tobacco and alcohol products;
- lowering the cost of compliance by promoting electronic filing options for manufacturers and sellers of those products;
- using statistical sampling programs to enforce compliance with federal tobacco and alcohol regulations regarding production, labeling, and marketing;
- promoting U.S. exports of alcohol and tobacco products; and
- working with other countries to stem the loss of tax revenue from illegal trading of those products.

Bureau of the Fiscal Service

Under the Treasury Department's budget request, BFS would have received $348.2 million in appropriations in FY2015, or $12.0 million less than the amount enacted for FY2014.[33] With the addition of $241.6 million in reimbursements, BFS's operating budget would have been $589.8 million in FY2015. Included in the request were $7.5 million to maintain FY2014 operating levels and a $19.5 million reduction from FY2014 appropriations owing to anticipated efficiency savings and costs that do not recur in FY2015.

Among BFS's stated priorities for FY2015 were

- completing a "clean" audit of the Financial Report of the United States Government by FY2018;
- promoting increased electronic payments through programs such as Direct Express, US Debit Card, and eWallet;

[31] For more details, see U.S. Treasury FY2015 Congressional Justification: Alcohol and Tobacco Tax and Trade Bureau at http://www.treasury.gov/about/budget-performance/CJ15/08.%20TTB%20CJ.pdf.

[32] The cap adjustments have their origin in the Budget Enforcement Act of 1990 (P.L. 101-508). For more details, see CRS Report R41901, *Statutory Budget Controls in Effect Between 1985 and 2002*, by Megan S. Lynch; and CRS Report R41965, *The Budget Control Act of 2011*, by Bill Heniff Jr., Elizabeth Rybicki, and Shannon M. Mahan.

[33] For more details, see U.S. Treasury FY2015 Congressional Justification: Bureau of the Fiscal Service at http://www.treasury.gov/about/budget-performance/CJ15/09.%20Fiscal%20Service%20CJ.pdf.

- modernizing the call center and interactive voice response system for the Electronic Federal Tax Payment System;
- continuing the Non-Tax Paperless Initiative, which promotes electronic submissions of non-tax collections and remittances;
- increasing the collection of delinquent federal and state tax and non-tax debts;
- increasing centralized government disbursements for federal agencies; and
- introducing the next version of USAspending.gov.

Treasury Forfeiture Fund

The Treasury Department's budget request included a proposal to cancel permanently $950 million in unobligated balances from the TFF in FY2015.[34] This would have come on top of a permanent $867 million reduction in such balances enacted for FY2014.

The fund serves as the receipt account for the deposit of non-tax assets seized by participating bureaus: IRS's Criminal Investigation unit, the U.S. Secret Service, the Bureau of Customs and Border Patrol, and the Bureau of Immigration and Customs Enforcement. The Treasury Executive Office for Asset Forfeiture (TEOAF) manages the fund. The fund is intended to pay for the operating expenses of TEOAF and support the enforcement activities of the bureaus involved in the National Money Laundering Strategy, the Southwest Border Strategy, and federal efforts to thwart terrorist financing.

TEOAF estimated that $442 million would be deposited in the fund from asset forfeitures and recoveries from previous fiscal years in FY2015. Another $94.2 million in unobligated balances from previous years would be available as well. After allowing for $367 million in administrative expenses, obligatory costs, and the proposed cancellation of $950 million in unobligated balances, the unobligated balance in the fund at the end of FY2015 would amount to $56.2 million.

Internal Revenue Service

The Treasury Department asked for $12.477 billion in appropriations for the IRS in FY2015, or $1.186 billion more than the amount enacted for FY2014.[35] Of this amount, $2.318 billion would have gone to taxpayer services, $5.372 billion to enforcement (including a $237.8 million program integrity cap adjustments under Section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985), $4.457 billion to operations support (including a $241.7 million program integrity cap adjustment), and $330.2 million to the Business Systems Modernization (BSM) program. With projected additional resources from reimbursements, user fees, unobligated balances from previous years, and offsetting collections, the operating budget for the IRS in FY2015 would have totaled $13.261 billion.

Included in the budget request were $223.2 million to maintain the FY2014 level of operations, $95.2 million in efficiency savings, $1.134 billion in program increases from FY2014, and $16.0 million in reinvestments. Of the proposed program increases, $211.3 million would have been used to improve taxpayer service; $524.6 million to undertake several new enforcement initiatives (e.g., expanding audits of high-income individuals, partnerships, and other pass

[34] For more details, see U.S. Treasury FY2015 Congressional Justification: Treasury Forfeiture Fund at http://www.treasury.gov/about/budget-performance/CJ15/22.%20TEOAF.pdf.

[35] For more details, see U.S. Treasury FY2015 Congressional Justification: Internal Revenue Service at http://www.treasury.gov/about/budget-performance/CJ15/10.%20-%2015.%20IRS%20CJ.pdf.

through entities, additional measures to prevent identity theft and tax refund fraud, implementing FATCA, and pursuing fraud referrals and other abusive tax schemes); $376.5 million to improve IRS's IT infrastructure (including new IT systems to improve tax credit deliveries and meet the rising demand for online and self-assistance services); and $16.5 million to continue migrating legacy taxpayer information systems to newer ones with greater capabilities. In addition, $5 million would have been transferred to TTB from the requested program integrity cap adjustment for IRS's appropriations for enforcement.

The budget request also would have amended the Balanced Budget and Emergency Deficit Control Act of 1985[36] to raise the discretionary budget caps on funding for the IRS. Under the act, Congress created a mechanism for increasing spending allocations among programs that generate a positive return on investment. Increases in those allocations are known as program integrity cap adjustments. Under the Administration's budget request for the IRS, the adjustments would have given the agency an additional $237.8 million for tax enforcement initiatives and an added $241.7 million for operations support in FY2015.

The IRS's budget request for FY2015 was built around the following priorities:

- expanding the level of taxpayer assistance through IRS's toll-free telephone service;
- expediting the processing of electronic returns;
- reducing the amount of tax refund fraud through taxpayer identity theft;
- addressing offshore and tax-exempt sector compliance issues;
- increasing criminal investigation capabilities;
- boosting examination audit and collection coverage rates;
- upgrading agency IT systems to implement the ACA and FATCA;
- maintaining the "integrity of revenue financial systems;" and
- continuing the transition from legacy business information systems by making further progress on projects such as phase two of the Customer Account Data Engine 2, the Return Review Program, the Modernized e-File, and the Core Infrastructure.

IRS Oversight Board's Assessment of the IRS FY2015 Budget Request

The IRS Reform and Restructuring Act of 1998[37] established the IRS Oversight Board to oversee IRS's performance in administering tax laws, managing its operations, and accomplishing its strategic goals. Section 7802(d) of the federal tax code requires the board to assess the IRS's annual budget proposal submitted by the IRS to the Treasury Department. A key focus of the Board's assessment is the extent to which the proposal supports the short- and long-term strategic objectives of the agency. The same statutory provision requires the President to submit the Board's budget recommendation to Congress along with Treasury's budget request for the IRS.

[36] P.L. 99-177.

[37] P.L. 105-206.

In its review of IRS's FY2015 budget request, the board concluded that the IRS should receive $13.590 billion in appropriated funds, or $1.1 billion more than the President's budget request and $2.3 billion more than the amount enacted for FY2014.[38]

In the board's view, the recommended funding was needed to reverse a decline in IRS's ability to "properly and effectively" administer federal tax laws and regulations that was triggered (and has been fueled) by cuts in the agency's funding and persistent uncertainty about the budget outlook going back to FY2010. The board contended that reductions in funding have made it increasingly difficult for the IRS to provide a "balanced portfolio of customer service options."[39] To satisfy the service needs of taxpayers, bolster public confidence in the essential fairness of the current system for assessing and collecting federal income taxes, handle the many challenges the IRS faces in effectively administering tax laws and regulations, and keep up with ever-increasing security threats and new statutory responsibilities, the board maintained that the IRS needed to invest more in "technology, training, and employees"[40] immediately.

Even though the President's FY2015 budget request for the IRS was about $1 billion less than the board's recommended funding, the Board endorsed the request because it addressed many of its "areas of concern." As the board noted in its review, the difference between the amount requested by Treasury and the amount recommended by the board did not reflect differing priorities but was the result of different budget baselines for FY2014.[41] The board based its budget recommendation on the President's FY2014 budget request for the IRS, whereas, the Treasury Department's request was based on the actual funding level for FY2014. The former was $1.583 billion larger than the latter.

One of the areas of concern for the board was the current environment for training and innovation at the IRS. The Administration's FY2015 budget request would have provided the agency with an additional $165 million under the "Opportunity, Growth, and Security Initiative." In general, the initiative is intended to allow federal agencies to invest more in "infrastructure, education, and innovation" than they could under the discretionary funding levels for FY2015 set by the Bipartisan Budget Act of 2013.[42] In the case of the IRS, the initiative would have allowed it to increase the toll-free telephone service level by 11 percentage points to more than 80%, reduce the taxpayer correspondence inventory, and speed up its response to identity theft and refund fraud cases. This is one of the reasons why the Board endorsed the budget request.

For the board, a critical consideration in its evaluation of IRS's budget request is the return on investment from IRS enforcement activities. In its review of the FY2015 budget request, the board pointed to an estimate by the Treasury Department that every dollar spent on IRS appropriations results in the collection of four added dollars in tax revenue, on average.[43]

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[38] IRS Oversight Board, *FY2015 IRS Budget Recommendation: Special Report* (Washington: May 2014), p. 7. See http://www.treasury.gov/IRSOB/reports/Documents/IRSOB%20FY2015%20Budget%20Report-FINAL.pdf.

[39] Ibid., p. 5.

[40] Ibid., p. 5.

[41] Ibid., p. 7.

[42] Internal Revenue Service, *FY2015: President's Budget*, p. IRS-182, at http://www.treasury.gov/about/budget-performance/CJ15/10.%20-%2015.%20IRS%20CJ.pdf.

[43] IRS Oversight Board, *FY2015 IRS Budget Recommendation*, p. 4.

House Measure (H.R. 5016)

H.R. 5016 as passed by the House would have provided $11.507 billion in appropriations (including a rescission of $750 million from the TFF) for the Treasury Department in FY2015, or $1.337 billion less than the budget request. A discussion of the amount recommended for each of the Treasury Department's appropriations accounts follows.

Departmental Offices

H.R. 5016 would have provided DO $173 million in appropriations for FY2015, or $135 million less than the budget request.[44] About 90% of the difference stemmed from a committee's recommendation that Treasury's Office of Terrorism and Financial Intelligence (TFI) be funded through a separate appropriations account.

In its report on the bill, the committee pointed out that the Treasury Department had failed four years in a row to submit a required report on "economic warfare and financial terrorism" to the House and Senate Appropriations Committees. The committee directed the Department to provide such a report in FY2015 for events that occurred in FY2014, in both "classified and unclassified forms."

In addition, the committee claimed there were "inadequate checks" on the operations of and funding for Treasury's Office of Financial Research (OFR). To address this concern, the committee added two provisions to H.R. 5016 (Sections 123 and 125). The former would have required the office to submit quarterly reports on its budget obligations to the two appropriations committees; the latter would have subjected the office's operating budget to the standard appropriations process.[45] Under current law, the OFR receives its operating funds from the fees it assesses designated financial institutions.

Office of Terrorism and Financial Intelligence

Under H.R. 5016, TFI would have received appropriations of $120 million in FY2015. In its report on H.R. 5016, the committee stated that the added funds should be used to "strengthen the development and enforcement of sanction programs."[46]

TFI's Office of Foreign Assets Control (OFAC) implements and enforces economic and trade sanctions against designated countries. In FY2015, the committee directed the office to make available online and disseminate in other ways to the public information on companies that were not complying with the Iran Sanctions Act and any entities that were engaged in commercial activities with the Iran Revolutionary Guard Corps. In addition, the committee urged OFAC to increase economic and trade sanctions on African countries, such as Sudan, South Sudan, the Democratic Republic of Congo, and the Central African Republic, torn by conflicts with numerous atrocities.

Office of Inspector General

OIG would have received $35.4 million in appropriations in FY2015 under H.R. 5016, the same amount as the budget request.[47]

[44] H.Rept. 113-508, p. 7.

[45] H.Rept. 113-508, p. 8.

[46] H.Rept. 113-508, p. 9.

[47] H.Rept. 113-508, p. 10.

In its report on the bill, the committee directed OIG to look into whether the data collected by the FSOC and the OFR from financial institutions duplicated data collected from the same entities by other regulatory agencies, and whether these institutions find the FSOC and OFR reporting requirements onerous. OIG was instructed to report its findings to the committee within 180 days of the enactment of the bill.

The committee also directed OIG to submit a report to the House and Senate Appropriations Committees, the House Financial Services Committee, and the Senate Banking Committee, within 90 days of the enactment of the bill, on the Treasury Department's process for consulting with state insurance commissioners to develop a consensus on international insurance standards. Of particular interest was the extent to which the department's involvement in international insurance regulatory organizations reflected any such consensus.

Treasury Inspector General for Tax Administration

Under H.R. 5016, TIGTA would have received an appropriation of $159 million in FY2015, or $581,000 more than the budget request.[48] In its report on the bill, the committee commended TIGTA for the "many issues" it has brought to the committee's attention. While issuing no directives, the committee urged the agency to conduct joint audits and investigations with the OIG at the Department of Health and Human Services (HHS) into the implementation and enforcement of the premium tax credits available under the ACA by the IRS and the Centers for Medicare and Medicaid Services (CMS).

Special Inspector General for the Troubled Asset Relief Program

H.R. 5016 would have provided appropriations of $34.2 million for SIGTARP in FY2015, the same amount as the budget request.[49]

In its report on the bill, the committee said that it expected requested appropriations for this purpose would decline as the TARP program "winds down" in coming years.

Financial Crimes Enforcement Network

FinCEN would have received $112 million in appropriations in FY2015 under H.R. 5016, $3 million more than the budget request.

In recommending this amount, the committee sought to ensure that the data collected and compiled by FinCEN was readily available to local, state, and federal law enforcement agencies, and that the agency was capable of responding quickly to requests for assistance from those agencies. The committee also recommended that FinCEN use its expertise in analyzing financial flows across national borders to assist continuing domestic and foreign efforts to combat human trafficking.

Treasury Forfeiture Fund

Under H.R. 5016, $750 million in unobligated funds would have been rescinded from the TFF in FY2015, or $200 million less than the budget request.[50]

[48] H.Rept. 113-508, p. 12.

[49] H.Rept. 113-508, p. 12.

[50] H.Rept. 113-508, p. 13.

In its report on the bill, the committee noted that funds collected, disbursed, and rescinded from the fund are "incidental" to the missions of the federal law enforcement agencies that contribute seized assets to the fund. In the committee's view, the fund should ensure that its resources were managed well enough to cover the costs of seizing, evaluating, maintaining, protecting, advertising, and disposing of its assets; at the same time, the money in the fund should not be used to "augment agency funding or circumvent the appropriations process." The committee expressed concern that reliance on the fund to cover day-to-day operating expenses or pay for new activities might give the contributing agencies an incentive to focus more on cases involving the forfeiture of expensive property and less on cases involving the "worst (financial) crimes against society."

The committee directed the Treasury Department to provide the House and Senate Appropriations Committees, for each month of FY2015, with a detailed table showing earned interest, forfeiture revenue collected, unobligated balances, recoveries, expenses to date, and estimated expenses for the remainder of the fiscal year.

Bureau of the Fiscal Service

In FY2015, the BFS would have received $348.2 million in appropriations under H.R. 5016, the same amount as the budget request.[51] Of that amount, $4.2 million would have been set aside for the modernization of BFS's information systems through the end of FY2016. The recommended appropriation also included funds for the USAspending.gov project.

In its report on the bill, the committee directed BFS to provide a report on the payments it made during FY2014, identical to those submitted for FY2011, FY2012, and FY2013. The report should include all payments made from the Judgment Fund since FY2008, including the name of each plaintiff or claimant, counsel for the plaintiff or claimant, and federal agency that filed the claim; a brief description of the facts surrounding the claim; and any amount paid covering principal, interest, and attorney's fees.

The committee expressed support for BFS's Do Not Pay Business Center and its goal of preventing ineligible persons or entities from receiving federal awards or payments, such as federal tax refunds.

Alcohol and Tobacco Tax and Trade Bureau

H.R. 5016 would have provided appropriations of $96.0 million in FY2015 for TTB, the same amount as the budget request.[52]

In its report on the bill, the committee expressed concern about TTB's ability to efficiently handle the growing demand for its services from regulated companies. While commending the bureau for improving its label and formula approval processes by adopting new technologies, the committee encouraged TTB to find ways to further streamline its operations, including adding "increased flexibility" to its staffing decisions.

Community Development Financial Institutions Fund

H.R. 5016 would have appropriated $230.5 million for CDFI Fund in FY2015, or $5.6 million more than the budget request.[53] Of that amount, $177.0 million would have been reserved for

[51] H.Rept. 113-508, p. 14.

[52] H.Rept. 113-508, p. 15.

[53] H.Rept. 113-508, p. 16.

financial and technical assistance, $15.0 million for Native Initiatives, $18.0 million for the Bank Enterprise Award program, and $20.0 million for the fund's administrative expenses.

Internal Revenue Service

Under H.R. 5016, the IRS would have received appropriations of $9.8 billion, or $3.7 billion less than the budget request. In addition, the bill would have prohibited the IRS from using appropriated funds in FY2015 for the following purposes:

- bonuses and other awards that do not consider an employee's conduct and compliance with tax laws;
- singling out groups for "regulatory scrutiny" based on their ideological beliefs;
- conferences that fail to comply with TIGTA's conference recommendations;
- producing videos that have not been reviewed for "cost, topic, tone, and purpose;"
- implementing IRS's proposed or revised regulations on standards and definitions used to determine an organization's eligibility for tax-exempt status under Section 501(c)(4) of the Internal Revenue Code;
- implementing the individual health insurance mandate under ACA; and
- transferring funds to the IRS from HHS to implement the ACA.

In its report on the bill, the committee directed the IRS Commissioner to submit a monthly status report on the steps the IRS is taking, or planning to take, to coordinate the issuance of advanced health insurance premium tax credits in 2014 with CMS. The report should also discuss how the IRS intends to reconcile those payments with 2014 individual tax returns when they are filed in 2015. CMS is responsible for disbursing the credits to insurance companies from IRS taxpayer accounts.

IRS appropriations are divided into four accounts: taxpayer services, enforcement, operations support, and the Business Systems Modernization program. H.R. 5016's recommended funding for each is reviewed below.

Taxpayer Services

H.R. 5016 would have provided appropriations of $2.139 billion for taxpayer services in FY2015, or $178.6 million less than the budget request.[54]

In its report on the bill, the committee noted that the recommended increase over the amount enacted for taxpayer services in FY2014 is intended to improve IRS's response rate for toll-free phone calls and reduce its backlog of written correspondence. The report also addressed several issues related to the services the IRS offers to taxpayers. On the issue of identity theft, the committee directed the IRS to submit to the two appropriations committees by June 17, 2015, a report for the 2014 tax year that looked at the number of taxpayers who had their tax returns rejected because their taxpayer identification numbers were used by others to commit tax fraud and the average time to resolve the problem and provide the affected taxpayers with their refunds, when a refund was due. The report should also examine the effectiveness of actions the IRS is taking (or planning to take) to resolve identity theft cases expeditiously, educate taxpayers about the risk of identity theft, and "detect and prevent identity-based tax fraud." Both the National

[54] H.Rept. 113-508, p. 18.

Taxpayer Advocate and the Federal Trade Commission would have had to review the report before it was given to the committees.

On the issue of fraud detection, the committee urged the IRS to replace its current fraud detection system with one that was better suited to verifying the identity of individual taxpayers. Such a system, in the committee's view, should involve the use of data stored in the Individual Master File to detect historical filing patterns and match deductions with income for all individual taxpayers.

In addition, regarding the Free File program, the committee expressed both support for the program and disappointment that the IRS had chosen to terminate its multi-year agreement with the Free File Alliance companies. The current memorandum of understanding with the alliance expires on October 30, 2015.

The committee also instructed the IRS not to begin working on a pilot program for pre-filled or simple tax returns without first gaining specific authorization and appropriations from Congress.

Enforcement

H.R. 5016 would have provided appropriations of $3.796 billion for IRS's enforcement programs in FY2015, or $1.576 billion less than the budget request.[55] Of this amount, at least $60.3 million would have been used to support IRS's involvement in the Crime and Drug Enforcement program.

None of the appropriation could have been used to implement the ACA. The bill would also have prohibited transfers of funds from HHS to the IRS for that purpose in FY2015.

In its report on the bill, the committee recommended that the IRS clarify the definition of a political subdivision under the rules governing the issuance of tax-exempt bonds. Continuing uncertainty about the definition was causing delays of economic development projects throughout the country, according to the report.

On the issue of improper claims for the earned income tax credit (EITC), the committee asked the IRS to develop a "due diligence" program for individuals who prepare their own return and claim the EITC that is similar to the due diligence program the IRS put in place three years ago for paid preparers claiming the credit. The committee directed IRS's Office of Compliance Analytics to submit proposals for such a program to the House and Senate Appropriations Committees no later than 120 days after the enactment of the bill.

Operations Support

Under H.R. 5016, the IRS would have received appropriations of $3.618 billion in operations support in FY2015, or $838.9 million less than the budget request.[56] Once again, none of the funds could have been used to implement the ACA.

In its report on the bill, the committee directed the IRS's Official Time Program Unit to submit a report to the two appropriations committees on the use of official time by the agency's unionized workforce no later than 90 days after the enactment of the bill. The report should focus on the total number of bargaining unit employees at the IRS, the number of such employees who use official time, the total number of hours of official time, the average number of hours of official

[55] H.Rept. 113-508, p. 19.

[56] H.Rept. 113-508, p. 20.

time used per bargaining unit employee, the number of employees who use official time all of the time, and the official time wage expenses for FY2011 to FY2014.

In addition, the IRS would have been required to submit quarterly reports to the House and Senate Appropriations Committees no later than 45 days after the end of each quarter of FY2015 that examined the obligations made during the previous quarter by appropriation account, object class, office, and activity; the number of full-time employees within each office during the previous quarter; and the expected number of full-time employees within each office during the remainder of the fiscal year.

Business Systems Modernization

Under H.R. 5016, the BSM program would have received appropriations of $250.0 million for FY2015, or $80.2 million less than the budget request.[57] In its report on H.R. 5016, the committee noted that it expects funding requests for the program to decrease as the increased operating efficiencies from retiring the aging legacy information systems materialize. As operating efficiencies improved, the requests should gradually decrease to something approaching their historical average.

Administration Reaction to H.R. 5016

In a statement issued by the Office of Management and Budget (OMB) on July 14, 2014, senior advisers to President Obama indicated they would recommend that he veto H.R. 5016 if the House-passed version were to pass unchanged in the Senate.[58] Among the reasons cited for such an action were opposition to the $1.5 billion reduction in the President's requested funding for the IRS; no provision in the bill for the requested $35 million in appropriations for the CDFI Fund's Healthy Food Financing Initiative and the requested extension of the CDFI Fund Bond Guarantee program beyond FY2014; the $28 million reduction in the requested funding for DO; the creation of a separate appropriation account for TFI; and the provision in the bill subjecting the OFR to the annual appropriations process starting in FY2016.

Senate Measure (Unnumbered Subcommittee bill)

Under an unnumbered bill reported by the Senate Appropriations Subcommittee on Financial Services and General Government, the Treasury Department would have received $12.012 billion in appropriated funds (including a rescission of $850 million from the TFF) in FY2015. This amount was $833 million less than the budget request.

Since the bill was not marked up by the full committee, no full committee recommendations were made. The amounts included in the unnumbered subcommittee bill were as follows:

- Departmental Offices (salaries and expenses): $317 million;
- Department-wide Systems and Capital Investments: $3 million;
- Office of Inspector General: $35 million;
- Treasury Inspector General for Tax Administration: $157 million;
- Special Inspector General for the Troubled Asset Relief Program: $34 million;

[57] H.Rept. 113-508, p. 21.

[58] See Statement of Administration Policy on H.R. 5015 at http://www.whitehouse.gov/sites/default/files/omb/legislative/sap/113/saphr5016h_20140714.pdf.

- Financial Crimes Enforcement Network: $109 million;
- Treasury Forfeiture Fund: -$850 million;
- Bureau of the Fiscal Service: $348 million;
- Alcohol and Tobacco Tax and Trade Bureau $100 million;
- Community Development Financial Institutions Fund: $230 million; and
- Internal Revenue Service: $11.527 million.

Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83,P.L. 113-235)

Departmental Offices

P.L. 113-235 contained $210.0 million in appropriations for DO in FY2015. Of that amount, $9.5 million was reserved for audits and administration of the Gulf Coast Restoration Trust Fund; $3.4 million for the development and implementation of new programs within the Office of Critical Infrastructure Protection and Compliance Policy; and $1.0 million for the Treasury Department's participation in global tax programs sponsored by the Organization of Economic Cooperation and Development.

According to the explanatory statement accompanying the House amendment to the Senate amendment to H.R. 83, Treasury must submit several reports to the Senate and House Appropriations Committees during FY2015.[59] One should address the department's current and planned use of cloud computing, the expected cost savings from such usage in 2014 and 2015, plans to retire affiliated legacy computer systems, and progress in meeting federal security standards. A second report should discuss the department's staffing for oversight and implementation of the Gulf Coast Restoration Trust Fund, the number applications it receives for grants, and the average time it takes to process an application.

Treasury was also directed to submit two other reports.[60] No later than 90 days after the enactment of H.R. 83, Treasury was to submit a report to the appropriations committees, as well as all authorizing committees, on the steps it is taking to combat trafficking in wild animals and illegal trading in natural resources. The report should also discuss the department's involvement with the Presidential Taskforce on Wildlife Trafficking, the steps it is taking to implement the National Strategy on Wildlife Trafficking, and the resources the department is allocating to this purpose. The second report should describe the steps Treasury is taking to work with other federal agencies to combat cybercrime and data breaches.

The explanatory statement also indicated that Congress opposed any use of the appropriated funds that would recognize Russian sovereignty over Crimea.

Office of Terrorism and Financial Intelligence

The act appropriated $112.5 million for TFI in FY2015, as a separate account. No more than $27.0 million of that amount may be used for administrative expenses.[61] Furthermore, Treasury was directed to fully implement economic sanctions and divestment measures targeted at the

[59] Explanatory Statement, Consolidated and Further Continuing Appropriations Act, 2015, p. H9733.

[60] Explanatory Statement, Consolidated and Further Continuing Appropriations Act, 2015, p. H9734.

[61] Explanatory Statement, Consolidated and Further Continuing Appropriations Act, 2015, p. H9734.

Islamic State of Iraq and the Levant, Russia, North Korea, Syria, Iran, Sudan, Zimbabwe, and designated rebel groups operating in the Republic of the Congo. Treasury should notify the appropriations committees if available resources were insufficient to accomplish this objective.

Department-Wide Systems and Capital Investments

Treasury received $2.7 million in appropriations in FY2015 for department-wide systems and capital improvement programs under P.L. 113-235.

Office of Inspector General

The act provided $35.3 million in appropriations in FY2015 for OIG. It also specified that the office should use some of the funds to undertake audits of Treasury's programs to disrupt money laundering and terrorist financing, its plans for and spending on capital investment, and the CDFIF.[62]

Treasury Inspector General for Tax Administration

TIGTA received $158.2 million in appropriations in FY2015 under the act. The office was directed to brief the House and Senate Appropriations Committees on major reports before they are released to the public.

Special Inspector General for the Troubled Asset Relief Program

P.L. 113-235 provided $34.2 million in appropriations for SIGTARP in FY2015. According to the explanatory statement for the act, the office is expected to continue to monitor the Hardest Hit Fund and to inform the appropriations committees if state or local government agencies are misusing money from the Fund to fund their pension obligations.[63]

Financial Crimes Enforcement Network

Under the act, FinCEN received $112.0 million in appropriations for FY2015. According to the explanatory statement, the office was directed to follow the recommendations of the GAO and the OIG in improving the availability and reliability of the data it collects under the Bank Secrecy Act. FinCEN was also required to submit a report to the appropriations committees within 60 days of the enactment of H.R. 83 on the status of its reorganization and its impact on employee productivity.[64]

Treasury Forfeiture Fund

P.L. 113-235 included a rescission of $769.0 million of the unobligated balances in the fund in FY2015.

Bureau of the Fiscal Service

The act provided $348.2 million in appropriations for the BFS in FY2015. It also authorized the transfer of $165,000 from the Oil Spill Liability Trust Fund to reimburse the bureau for expenses

[62] Explanatory Statement, Consolidated and Further Continuing Appropriations Act, 2015, p. H9734.

[63] Explanatory Statement, Consolidated and Further Continuing Appropriations Act, 2015, p. H9734.

[64] Explanatory Statement, Consolidated and Further Continuing Appropriations Act, 2015, p. H9734.

it incurs in managing the fund.[65] The bureau was directed to submit a report to the appropriations committees within 180 days of the enactment of the bill on the progress it has made in establishing a Do Not Pay Center. Such an entity is charged with finding cost-effective ways to reduce the amount of improper payments by federal agencies.

Alcohol and Tobacco Tax and Trade Bureau

TTB received $100.0 million in appropriations in FY2015, under the act. Of this amount, $3.0 million was set aside for the cost of hiring special law enforcement agents to combat tobacco smuggling and other criminal activities related to the diversion of alcohol and tobacco products. The Bureau was directed to include in its budget request for FY2016 the full cost of supporting these agents "solely within the Bureau," on the grounds that the agents' responsibilities were "clearly within the Bureau's expertise."[66]

Community Development Financial Institutions Fund

P.L. 113-235 provided $230.5 million in appropriations for CDFIF in FY2015. Of that amount, $152.4 million was set aside for technical and financial assistance grants; $15.0 million for technical assistance for Native American, Hawaiian, and Alaskan communities; $22.0 million for the healthy Food Financing Initiative; $18.0 million for the Bank Enterprise Award program; and up to $23.1 million for administrative expenses.[67] Under the act, the total loan principal for the Bond Guarantee program cannot exceed $750.0 million. In addition, the act specified that $1.0 million of the appropriated funds should be used to enhance the capacity of CDFIs to better meet the needs of underserved communities.

Internal Revenue Service

P.L. 113-235 provided $10.945 billion in appropriations for the IRS in FY2015. This account is divided into four sub-accounts: taxpayer services, enforcement, operations support, and the BSM program. Each is discussed in detail below.

Taxpayer Services

Taxpayer services received $2.157 billion in appropriations for FY2015. Of this amount, $10.0 million was to be used for low-income taxpayer clinic grants, $7.0 million for the Tax Counseling for the Elderly program, $12.0 million for the Volunteer Income Tax Assistance matching grants program, and $206.0 million for the operating costs of the Taxpayer Advocate Service (TAS). Of the appropriations for TAS, at least $5.0 million was reserved for identity theft casework.[68] The act also required the IRS to conduct quarterly briefings with staff from the House and Senate Appropriations Committees on its plans to extend an agreement with the Free File Alliance to offer free online tax filing through the IRS website for individual taxpayers with incomes below a certain level; the current Memorandum of Understanding is due to expire in October 2015. Section 104 of Title I of the act noted that funds were included for improving the IRS's level of toll-free phone service for taxpayer assistance and directed the IRS Commissioner to make achieving this goal a high priority.

[65] Explanatory Statement, Consolidated and Further Continuing Appropriations Act, 2015, p. H9734.

[66] Explanatory Statement, Consolidated and Further Continuing Appropriations Act, 2015, p. H9734.

[67] Explanatory Statement, Consolidated and Further Continuing Appropriations Act, 2015, p. H9734.

[68] Explanatory Statement, Consolidated and Further Continuing Appropriations Act, 2015, p. H9734.

Enforcement

The act provided $4.860 billion for enforcement activities in FY2015. According to the explanatory statement, the IRS was required to submit a report to the appropriations committees within 90 days of the enactment of the bill on the steps it is planning to take to reduce by half the average time a taxpayer must wait to resolve a claim involving identity theft and refund fraud.[69] To lower the likelihood of errors or intentional fraud in the filing of claims for refundable tax credits, the IRS was directed to make sure that taxpayers claiming such a credit were being asked the same questions on all tax forms, regardless of the filing method. In addition, the IRS was instructed to notify the appropriations committees before reducing the staffing at the centers where SS-8 Forms requesting independent contractor status for the purpose of paying federal employment and income taxes are processed.

Operations Support

Under the act, the IRS received $3.638 billion for operations support in FY2015. The IRS was directed to include in its budget request for FY2016 a proposed multi-year plan for replacing its aging legacy information technology infrastructure.[70] It should also keep the appropriations committees informed about new opportunities for the use of e-services and the cost of doing so.

Business Systems Modernization

P.L. 113-235 provided the IRS $290.0 million for the BSM program in FY2015.

Other Issues

According to the explanatory statement, the IRS was directed to ensure that its budget request for FY2016 contained accurate hiring dates for new staff assigned to work on proposed new initiatives.[71] It should also provide both appropriations committees with quarterly reports on IRS's efforts to reconcile advance premium payments under the ACA, and submit a report not later than 30 days after the enactment of the bill on the agency's current policy for awarding bonuses to staff charged with misconduct, including the non-payment of federal taxes.

In addition, Section 101 of the act allowed the IRS to transfer up to 5% of the total amount appropriated from one account to another with the prior approval of the appropriations committees; Section 105 barred the IRS from producing training videos without the prior consent of the appropriations committees; and Sections 107 and 108 prohibit the agency from undertaking any actions that target for added regulatory scrutiny groups or individuals because of their "ideological beliefs" or because they were "exercising" rights guaranteed by the First Amendment to the U.S. Constitution.[72]

[69] Explanatory Statement, Consolidated and Further Continuing Appropriations Act, 2015, p. H9735.

[70] Explanatory Statement, Consolidated and Further Continuing Appropriations Act, 2015, p. H9735.

[71] Explanatory Statement, Consolidated and Further Continuing Appropriations Act, 2015, p. H9734.

[72] Explanatory Statement, Consolidated and Further Continuing Appropriations Act, 2015, p. H9735.

Executive Office of the President[73]

The FSGG appropriations bill provides funding for all but three offices under the Executive Office of the President (EOP).[74] The White House, the Office of Management and Budget, and the Office of National Drug Control Policy are among the EOP offices funded through FSGG appropriations. **Table 4** lists EOP offices enacted amounts for FY2014, the President's FY2015 request, the amounts from H.R. 5016as passed by the House, the unnumbered original bill reported by the Senate Appropriations Subcommittee on Financial Services and General Government, and P.L. 113-235 as enacted.

Table 4. Executive Office of the President Appropriations, FY2014-FY2015

(in millions of dollars)

	FY2014 Enacted	FY2015 Request	FY2015 House-Passed	FY2015 Senate Subcommittee	FY2015 Enacted
The White House (total)	$198	$197	$191	$197	$196
Compensation of the President (mandatory spending/Title VI)	*0.5*	*0.5*	*0.5*	*0.5*	*0.5*
The White House Office (salaries and expenses)	*55*	*55*	*55*	*55*	*55*
Executive Residence, White House (operating expenses)	*13*	*13*	*13*	*13*	*13*
White House Repair and Restoration	*0.8*	*0.8*	*0.5*	*0.8*	*0.6*
Council of Economic Advisers	*4*	*4*	*4*	*4*	*4*
National Security Council and Homeland Security Council	*13*	*13*	*8*	*13*	*13*
Office of Administration	*113*	*111*	*111*	*111*	*111*
Office of Management and Budget	89	93	89	93	92
Federal Drug Control Programs (total)	367	311	375	367	375
Office of National Drug Control Policy (net of rescissions)	*23*	*23*	*22*	*23*	*23*
High Intensity Drug Trafficking Areas Program	*239*	*193*	*245*	*239*	*245*
Other Federal Drug Control Programs	*105*	*95*	*108*	*106*	*107*
Unanticipated Needs	0.8	1	0	1	0.8
Information Technology Oversight and Reform	8	20	9	20	20

[73] This section authored by Barbara L. Schwemle.

[74] Of the three exceptions, the Council on Environmental Quality and the Office of Environmental Quality are funded in the House and Senate Interior, Environment, and Related Agencies Appropriations Act. The Office of Science and Technology Policy and the Office of the United States Trade Representative are funded in the House and Senate Commerce, Justice, Science, and Related Agencies Appropriations Act.

	FY2014 Enacted	FY2015 Request	FY2015 House-Passed	FY2015 Senate Subcommittee	FY2015 Enacted
Data-driven Innovation	2	0	0	0	0
Special Assistance to the President (salaries and expenses)	4	4	4	4	4
Official Residence of the Vice President (operating expenses)	0.3	0.3	0.3	0.3	0.3
Total: EOP and Funds Appropriated to the President	**$670**	**$628**	**$669**	**$683**	**$688**

Sources: P.L. 113-235 and Explanatory Statement; H.R. 5016 and accompanying H.Rept. 113-508; unnumbered FSGG bill reported by Senate Subcommittee; and U.S. Executive Office of the President, *Fiscal Year 2015 Congressional Budget Submission*.

Notes: All figures are rounded, with amounts less than $1 million rounded to one decimal place. Columns may not equal the total due to rounding. An amendment (H. Amdt. 1071), offered by Representative Rodney Frelinghuysen and agreed to by the House of Representatives by voice vote on July 15, 2014, reduced the appropriations for the National Security Council and the Homeland Security Council by $4.2 million.

For FY2015 (as in FY2012, FY2013, and FY2014, in the House bill), the House and Senate Appropriations Committees did not include the funding for the President's salary in Title II of the FSGG bill, as it had in previous years. Instead funding for this account appeared in Title VI of the respective bills (Section 624 of H.R. 5016 (FY2015) and in Section 617 of the Senate subcommittee bill and in Section 619 of P.L. 113-235 (FY2015)). In this report, the funding is included in Title II to be consistent with prior year calculations.

The President's Budget Request and Key Issues

The Administration's FY2015 budget requested discretionary appropriations of $627.2 million for the EOP and funds appropriated to the President.[75] The justification that accompanied the EOP's budget submission again stated that the request "signifie[d] the Administration's commitment to identify[ing] and demonstrat[ing] real spending reductions."[76]

According to the justification, the $111 million requested for the Office of Administration would be allocated as $99 million for salaries and expenses and $12 million for the Capital Investment Plan.[77] The latter amount would fund records management ($3.4 million); innovation, including cost-effective technologies ($1.7 million); and efficiency, including minimizing costs and improving performance ($6.8 million).[78]

The justification stated that the requested increase of almost $4.2 million for the OMB would support 480 full-time equivalents (FTEs), 10 more than the FY2014 enacted amount. The increased amount would fund personnel compensation and benefits ($3.8 million), learning and

[75] $450,000 for the President's salary and expenses are mandatory funds.

[76] U.S. Executive Office of the President, *Fiscal Year 2015 Congressional Budget Submission* (Washington: March 2014), p. EOP-3.

[77] U.S. Executive Office of the President, *Fiscal Year 2015 Congressional Budget Submission* (Washington: March 2014), p. OA-4.

[78] U.S. Executive Office of the President, *Fiscal Year 2015 Congressional Budget Submission* (Washington: March 2014), p. OA-5.

development ($140,000), and other contractual services, including the MAX Information System ($170,000).[79]

The Administration requested $20 million and 39 FTEs for Information Technology and Oversight, an increase of $12 million and 27 FTEs above the FY2014 enacted amount. The justification stated that the additional funding would be used for "strengthening IT management, improving the effectiveness of digital services and reforming IT delivery, continuously improving the Government-Wide analytics platform to ensure transparency and accountability, and strengthening the government's cybersecurity posture through targeted oversight."[80]

As in the past several years, the President's budget request included an administrative provision at Section 201 for the EOP and funds appropriated to the President. It would continue to authorize the OMB director (or other official designated by the President) to transfer up to 10% of appropriations between the White House, Executive Residence at the White House, White House Repair and Restoration, Council of Economic Advisers, National Security Council and Homeland Security Council, Office of Administration, Special Assistance to the President, and Official Residence of the Vice President accounts, provided the House and Senate Committees on Appropriations are notified at least 15 days in advance. The transferred funds would be merged with and available for the same time and purposes as the appropriation to which transferred. An appropriation could not be increased by more than 50% by such transfers. The Vice President would approve transfers from the Special Assistance to the President or Official Residence of the Vice President accounts.[81]

Federal Drug Control Programs

For the accounts under the Federal Drug Control Programs account, the President's FY2015 budget requested a total appropriation of $311.4 million.

The justification that accompanied the budget stated that the Office of National Drug Control Policy (ONDCP) requested funding of $22.6 million would "support the focused coordination and oversight of interagency drug control programs and policies" and listed accomplishments in support of the National Drug Control Strategy in the areas of prescription drug abuse, drugged driving, drug prevention, increased transparency and outreach, and improved international relations and reduced drug supply.[82] The requested reduction in the High Intensity Drug Trafficking Areas Program (HIDTAP) appropriation would occur in the grants to state, local, and tribal agencies, and transfers to federal agencies participating in the 28 regional HIDTA. The requested appropriations of $193.4 million would be allocated to grants and transfers ($190.7 million) and auditing services and associated activities ($2.7 million).[83] The Other Federal Drug Control Programs appropriations requested would include funding for the Drug Free

[79] U.S. Executive Office of the President, *Fiscal Year 2015 Congressional Budget Submission, (Washington: March 2014),* p. OMB-6.

[80] U.S. Executive Office of the President, *Fiscal Year 2015 Congressional Budget Submission, (Washington: March 2014),* p. ITOR-4.

[81] *Appendix, Budget of the United States, FY2015,* pp. 1191-1192.

[82] U.S. Executive Office of the President, *Fiscal Year 2015 Congressional Budget Submission, (Washington: March 2014),* pp. ONDCP-8-11.

[83] U.S. Executive Office of the President, *Fiscal Year 2015 Congressional Budget Submission Executive Office of the President Office of National Drug Control Policy* (Washington: March 2014), pp. 44, 47.

Communities Program ($85.7 million), anti-doping activities ($7.7 million), and World Anti-Doping Agency membership dues ($2 million).[84]

House Measure (H.R. 5016)

H.R. 5016 as passed by the House of Representatives would have provided appropriations of $669.4 million for the EOP, which were $42.198 million (+6.7%) more than the President's request (discretionary funds) for FY2015.

The appropriation amounts for each of the EOP accounts as passed by the House were as follows:

- The White House Office: $55 million, $110,000 (-0.2%) less than the President's request.
- Executive Residence, White House: $12.7 million, the same as the President's request.
- White House Repair and Restoration: $500,000, $250,000 (-33.3%) less than the President's request. The House committee report stated that "the recommendation is below the request because ... there are substantial prior year unobligated balances in this account."[85] An amendment (H.Amdt. 1075), offered by Representative Patrick Meehan and agreed to by the House of Representatives by voice vote on July 16, 2014, prohibited the use of funds to modify or rebuild the White House bowling alley, including using phenolic synthetic material.
- Council of Economic Advisers: $3.8 million, $427,000 (-10.2%) less than the President's request.
- National Security Council and Homeland Security Council: $8.4 million, $4.2 million (-33.4%) less than the President's request. An amendment (H.Amdt. 1071), offered by Representative Rodney Frelinghuysen and agreed to by the House of Representatives by voice vote on July 15, 2014, reduced the appropriation by $4.2 million.
- Office of Administration: $111 million, $441,000 (-0.4%) less than the President's request. Of the total, up to $12 million would remain available until expended for continued modernization of the IT infrastructure within the EOP.
- Office of Management and Budget: $89.3 million, almost $4.2 million (-4.4%) less than the President's request. Of the total, $52 million could not be obligated until the President submits the FY2016 budget to Congress. The OMB director would have been required to consult with House and Senate standing committees on the number of printed and electronic copies of the FY2016 budget, including the appendix, historical tables, and analytical perspectives, that are required and provide that number of copies to each committee on the date that the President submits the budget to Congress. An amendment (H.Amdt. 1082), offered by Representative Blake Farenthold and agreed to by the House of Representatives by voice vote on July 15, 2014, prohibited the use of funds for OMB to process or approve an apportionment request that does not include the phrase "Apportioned amounts are not available for any position that is held by an employee with respect to whom the President of the Senate or the Speaker of the

[84] U.S. Executive Office of the President, *Fiscal Year 2015 Congressional Budget Submission Executive Office of the President Office of National Drug Control Policy* (Washington: March 2014), p. 27.

[85] H.Rept. 113-508, p. 25.

> House of Representatives has certified a statement of facts to a United States attorney under section 104 of the Revised Statutes."

The House committee report included guidance and directives for OMB, as follows.

The report reiterated that "in non-transition years, the Administration should be held to the statutory deadline for submission of the budget request."[86] The committee again directed OMB to provide the House and Senate Appropriations Committees with quarterly reports on on-board staffing levels and obligations by object class by office. The reports were to display actual and estimated staffing levels and obligations to date and for the remainder of the fiscal year.

The report again stated the committee's belief that "OMB should provide guidance to agencies on transaction-based and no-cost funding models, including when it is appropriate to consider using these contract tools, how to calculate potential savings from their use, and standards and best practices for conducting their procurement."[87] OMB was directed to provide an updated report within 120 days after the act's enactment on activities related to transaction-based or no-cost funding models for FY2015.

With regard to the Office of Information and Regulatory Affairs (OIRA), the report stated that the office must:

> ensure that Federal agencies proposing regulations are properly evaluating the economic impact of their proposed rules, conducting thorough regulatory impact analyses, and ensuring that the benefits of any proposed rules outweigh the costs.[88]

Further, the committee stated its belief that OIRA

> should not allow any regulations to be finalized using the 'Technical Support Document: Technical Update of the Social Cost of Carbon for Regulatory Impact Analysis Under Executive Order 12866, Interagency Working Group on Social Cost of Carbon, United States Government, May 2013' until public comments on the document have been evaluated, the GAO report has been submitted and reviewed, and any necessary changes to the technical support document are incorporated.[89]

The agency was encouraged to "consider whether their guidance on cost principles for educational institutions should be updated to facilitate appropriate technology transfer activities."[90]

The report directed OMB to make funds available for additional permanent staffing for the Office of the Intellectual Property Enforcement Coordinator (IPEC). It directed IPEC to report to the committee within 120 days of the act's enactment on "meaningful, concrete preventive measures [that] have been taken to implement the commitments made by numerous advertising stakeholders to reduce the flow of advertising revenue to operators of sites engaged in significant"[91] activity related to online copyright infringement.

OMB was again directed to report to the committee, within 120 days after the act's enactment, on agency compliance with OMB Memorandum M-12-12 on reducing travel expenses and conference spending. The report was to identify each agency's savings, whether the 30% savings

[86] H.Rept. 113-508, p. 27.

[87] H.Rept. 113-508, pp. 27-28.

[88] H.Rept. 113-508, p. 28

[89] H.Rept. 113-508, p. 28.

[90] H.Rept. 113-508, p. 28.

[91] H.Rept. 113-508, p. 28.

goal was achieved, the impact of changes in travel and conference policies on the ability of agencies to perform mission critical activities, and recommendations to improve OMB's policies on travel.

The agency was directed to report to the House and Senate Appropriations Committees within 120 days of the act's enactment on its actions to ensure "that agencies are not making improper payments to deceased individuals"[92] and within 90 days of the act's enactment on the implementation of Executive Order 13571, the development of standards to improve customer service, and the incorporation of the standards in agency performance plans.

The committee urged OMB to work with agencies to ensure that FY2016 funding requests are directly linked to agency performance plans and directed OMB to report to the House and Senate Appropriations Committees within 180 days of enactment of the act's enactment on progress in improving the use of performance measures in budgeting processes. The agencies and OMB were to consult with the GAO on this matter.

- Unanticipated Needs: No funding for FY2015, $1 million (-100%) less than the President's request.
- Information Technology Oversight and Reform: $9.0 million, $11 million (-55%) less than the President's request. The OMB director was authorized to transfer the funds to one or more agencies to carry out projects and would submit quarterly reports, not later than 45 days after the end of each quarter, to the House and Senate Committees on Appropriations identifying the savings achieved by the government-wide IT reform efforts by fiscal year, agency, and appropriation. The House report stated the committee's expectation that OMB will improve the processes for developing IT systems.
- Special Assistance to the President: $4.2 million, $21,000 (-0.5%) less than the President's request.
- Official Residence of the Vice President: $290,000, $9,000 (-3.0%) less than the President's request.

Section 624(a)(1) of H.R. 5016 as passed by the House would have provided the mandatory appropriation for the compensation of the President ($450,000, including $50,000 for expenses). According to the committee report, this is an account "where authorizing language requires the payment of funds."[93]

H.R. 5016 as passed by the House funded the federal drug control accounts at the following levels:

- ONDCP: $22.0 million, $647,000 (-2.8%) less than the President's request. The House report stated the committee's expectations that the agency will (1) "focus resources on the counter-drug policy development, coordination and evaluation functions which are the primary mission of the Office and the original reason for its existence;" (2) "give appropriate consideration to" drug trafficking and associated violence in the territories; (3) keep the committee informed of efforts to develop a biennial Caribbean Border Counternarcotics Strategy; (4) continue to work with agencies "to develop and implement strategies to reduce the demand for and supply of methamphetamine;" and (5) "to coordinate with small

[92] H.Rept. 113-508, p. 29.

[93] H.Rept. 113-508, p. 82.

and rural law enforcement agencies and develop strategies to improve the effectiveness of drug eradication efforts through shared intelligence, technology, and manpower."[94]

- HIDTAP: $245.0 million, $51.6 million (+26.7%) more than the President's request. Not less than 51% of the funds would be transferred to state and local entities for drug control activities and would be obligated within 120 days after the act's enactment. Up to 49% of the funds could be transferred to federal agencies and departments as determined by the ONDCP director, of which up to $2.7 million could be used for auditing services and associated activities. The ONDCP director would have been required to notify the House and Senate Committees on Appropriations of the initial allocation of FY2015 funding among HIDTAs within 45 days after the act's enactment and of planned uses of discretionary HIDTA funding, determined in consultation with the HIDTA Directors, within 90 days after the act's enactment.
- OFDCP: almost $108.3 million, almost $12.9 million (+13.5%) more than the President's request. The appropriation would have been allocated as follows: $95 million for the Drug-Free Communities Program, $1.4 million for drug court training and technical assistance, $8.6 million for anti-doping activities, $2.0 million for U.S. membership dues to the World Anti-Doping Agency, and $1.2 million for competitive discretionary grants to states to assist in implementing effective drug laws.

The House-passed bill included the following EOP administrative provisions:

- Section 201 would have continued to authorize the OMB director (or other official designated by the President) to transfer up to 10% of appropriations between the White House, Executive Residence at the White House, White House Repair and Restoration, Council of Economic Advisers, National Security Council and Homeland Security Council, Office of Administration, Special Assistance to the President, and Official Residence of the Vice President accounts, provided the House and Senate Committees on Appropriations give approval in advance. An appropriation could not be increased by more than 50% by such transfers. The Vice President would approve transfers from the Special Assistance to the President or Official Residence of the Vice President accounts.
- Section 202 would have continued to require the OMB director to report to the House and Senate Committees on Appropriations, within 90 days after the act's enactment, on the costs of implementing P.L. 111-203, the Dodd-Frank Wall Street Reform and Consumer Protection Act. The report must include the estimated mandatory and discretionary obligations of funds through FY2019, by federal agency and by fiscal year, including (1) the estimated obligations by cost inputs such as rent, IT, contracts, and personnel; the methodology and data sources used to calculate such estimated obligations; and the specific section of such act that requires the obligation of funds; and (2) the estimated receipts through FY2019 from assessments, user fees, and other fees by the federal agency making the collections, by fiscal year, including the methodology and data sources used to calculate such estimated collections; and the specific section of such act that authorizes the collection of funds.

[94] H.Rept. 113-508, p. 30.

- Section 203 would have continued to prohibit the use of funds to pay the salaries and expenses of any EOP officer or employee to prepare, sign, or approve statements abrogating legislation passed by the House of Representatives and the Senate and signed by the President.
- Section 204 would have continued to prohibit the use of funds to pay the salaries and expenses of any EOP officer or employee to prepare or implement an executive order that contravenes existing law.
- Section 205 would have required that, during FY2015, any executive order must include a statement from the OMB director on the budgetary impact of the order. The statement must include a narrative summary of the costs and revenue impacts of the order on the federal government and the impact on mandatory and discretionary obligations and outlays, listed by federal agency, for each year in the five-fiscal-year period beginning with FY2015, and made to departments or agencies for carrying out such activities.
- Section 610 of H.R. 5016 as passed by the House would have continued to prohibit the EOP from using funds to request an FBI official background investigation report on any individual except with the express written consent of the individual involved, within six months prior to the date of such request and during the same presidential administration, or when required because of extraordinary circumstances involving national security. The section also would have newly prohibited the use of funds to request a determination with respect to the treatment of a 501(c) organization that is exempt from taxation. Section 621 of the bill continued to prohibit the use of funds to pay the salaries and expenses for the Director of the White House Office of Health Reform, the Assistant to the President for Energy and Climate Change, the Senior Advisor to the Secretary of the Treasury assigned to the Presidential Task Force on the Auto Industry and Senior Counselor for Manufacturing Policy, and the White House Director of Urban Affairs, or any substantially similar positions.

Senate Measure (Unnumbered Subcommittee bill)

The Financial Services and General Government Appropriations Act, 2015 as reported by the subcommittee to the Senate Committee on Appropriations, would have provided appropriations of $682.6 million for the EOP, $55.4 million (+8.8%) more than the President's request (discretionary funds).

The Senate subcommittee bill amounts for each of the EOP accounts were as follows:

- The White House Office: $55.1 million, the same as the President's request.
- Executive Residence, White House: $12.7 million, the same as the President's request.
- White House Repair and Restoration: $750,000, the same as the President's request.
- Council of Economic Advisers: $4.2 million, the same as the President's request.
- National Security Council and Homeland Security Council: $12.6 million, the same as the President's request.
- Office of Administration: $111.4 million, the same as the President's request. Of the total, $12 million would have remained available until expended for continued stabilization and modernization of the IT infrastructure within the EOP.

- Office of Management and Budget: $93.4 million, the same as the President's request.[95]
- Unanticipated Needs: $1.0 million, the same as the President's request.
- Information Technology Oversight and Reform: $20.0 million, the same as the President's request.
- Special Assistance to the President: $4.2 million, the same as the President's request.
- Official Residence of the Vice President: $299,000, the same as the President's request.

Section 617(a)(1) of the Senate subcommittee bill would have provided the mandatory appropriation for the compensation of the President ($450,000, including $50,000 for expenses).

The subcommittee-reported FSGG bill would have funded the federal drug control accounts at the following levels:

- ONDCP: $22.6 million, the same as the President's request.
- HIDTAP: $238.5 million, $45.1 million (+23.3%) more than the President's request.
- OFDCP: almost $105.7 million, $10.3 million (+10.8%) more than the President's request. The appropriation would have been allocated as follows: $92.0 million for the Drug-Free Communities Support Program (DFCSP), including $2.0 million for National Community Anti-Drug Coalition training; $9.0 million for anti-doping activities; $2.0 million for the United States membership dues to the World Anti-Doping Agency; $1.2 million for activities related to model state drug laws; and $1.4 million for drug court training and technical assistance.

Administrative provisions under the appropriation for the EOP and funds appropriated to the President included in the Senate subcommittee-reported bill were the following:

- Section 201 would have continued to authorize the OMB director (or other official designated by the President) to transfer up to 10% of appropriations between the White House, Executive Residence at the White House, White House Repair and Restoration, Council of Economic Advisers, National Security Council and Homeland Security Council, Office of Administration, Special Assistance to the President, and Official Residence of the Vice President accounts, provided the House and Senate Committees on Appropriations give approval in advance. An appropriation could not have been increased by more than 50% by such transfers. The Vice President would approve transfers from the Special Assistance to the President or Official Residence of the Vice President accounts.
- Section 202 would have continued to require the ONDCP director to submit to the House and Senate Appropriations Committees, within 60 days after the act's enactment, and prior to initially obligating more than 20% of the ONDCP funds, "a detailed narrative and financial plan on the proposed uses of all funds under the account by program, project, and activity." The reports must be updated every six months and include any changes in the estimates and assumptions of the

[95] The draft committee report also included guidance and directives for OMB.

previous reports. New projects and changes in the funding for ongoing projects must be approved in advance by the committees.

- Section 203 would have continued to provide that up to 2% of ONDCP appropriations could be transferred between appropriated programs within ONDCP with advance approval by the House and Senate Appropriations Committees, but such transfer could not increase or decrease an appropriation by more than 3%.
- Section 204 would have continued to provide that up to $1.0 million of ONDCP appropriations could be reprogrammed within a program, project, or activity with advance approval by the House and Senate Appropriations Committees.
- The Senate subcommittee bill would have continued the provision at Section 610 that prohibited the EOP from using funds to request an FBI official background investigation report on any individual except with the express written consent of the individual involved, within six months prior to the date of such request and during the same presidential administration, or when required because of extraordinary circumstances involving national security.

Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83, P.L. 113-235)

P.L. 113-235 provided appropriations of $688 million for the EOP, $60.6 million (+9.6%) more than the President's request.

The appropriations for each of the EOP accounts were as follows:

- The White House Office: $55 million, $110,000 less than the President's request. The appropriation included necessary expenses for the Office of Policy Development. The explanatory statement that accompanied the Consolidated and Further Continuing Appropriations Act directed the EOP "to allocate sufficient resources to continue the robust operation of the Office of National AIDS Policy and to continue to coordinate a Government-wide effort to achieve the goals of the National HIV/AIDS strategy."[96]
- Executive Residence, White House: $12.7 million, the same as the President's request.
- White House Repair and Restoration: $625,000, $125,000 less than the President's request.
- Council of Economic Advisers: almost $4.2 million, $8,000 less than the President's request.
- National Security Council and Homeland Security Council: $12.6 million, $21,000 less than the President's request.
- Office of Administration: $111.3 million, $141,000 less than the President's request. Of the total, up to $12 million is to remain available until expended for continued modernization of the IT infrastructure within the EOP. The explanatory statement directed the office "to continue to implement comprehensive policies to preserve all records, including electronic records, consistent with the

[96] Explanatory Statement, Consolidated and Further Continuing Appropriations Act, 2015, p. H9735.

Presidential Records Act, the Federal Records Act, and other pertinent laws, and in close coordination with the National Archives and Records Administration."[97]

- Office of Management and Budget: $91.8 million, $1.7 million less than the President's request. The explanatory statement directed OMB to take certain actions or report to the House and Senate Appropriations Committees as follows:

  "[A]llocate increased funds toward non-politically appointed civil service staff" and use additional resources to respond to requests from Congress "in a timely and complete manner."

  Submit quarterly reports on personnel and obligations, including "on-board staffing levels by office, estimated staffing levels by office for the remainder of the fiscal year, total obligations incurred to date, [and] estimated total obligations for the remainder of the fiscal year." The report is to include "a narrative description of current hiring initiatives" and issues that affect OMB's ability to hire additional staff.

  [C]ontinue to enhance the Federal Budgeting System and notify the House and Senate Appropriations Committees of additional ways to improve the system in a cost-effective manner.

  Report, within 60 days of the act's enactment, on any agencies that are not following the policies that decisions about staffing should be based on agency workload and funding levels and vacant positions should be backfilled based on the number of staff, with the required skills and qualifications, needed to carry out the agency's mission within the funding provided.

  [I]ssue guidance on the use of direct conversions to contract out, in whole or in part, activities or functions last performed by federal employees and, within 60 days of the act's enactment, issue guidance to inform agencies of their responsibilities to adhere to the requirements specified in the general provisions that apply government-wide.

  [N]otify the committees annually, about agencies that are not reporting conference expenditures on their websites, as OMB Memorandum M-12-12 requires.

  [R]eport, within 180 days after the act's enactment, on "recommendations to improve the Federal Acquisition Regulation to prevent agencies from issuing contract incentives to underperforming contractors."

  [R]eport, within 45 days after the end of each fiscal quarter, "on available balances at the start of the fiscal year, current year obligations, and resulting unobligated balances for each discretionary account" for these agencies: the Department of the Treasury, the Executive Office of the President, the Federal Communications Commission, the Federal Trade Commission, the General Services Administration, the National Archives and Records Administration, the Securities and Exchange Commission, and the Small Business Administration.[98]

- Special Assistance to the President: $4.2 million, $10,000 less than the President's request.
- Official Residence of the Vice President: $299,000, the same as the President's request.
- Unanticipated Needs: $800,000, $200,000 less than the President's request.
- Information Technology Oversight and Reform: $20 million, the same as the President's request. The OMB director may transfer these funds to one or more

[97] Explanatory Statement, Consolidated and Further Continuing Appropriations Act, 2015, p. H9735.

[98] Explanatory Statement, Consolidated and Further Continuing Appropriations Act, 2015, p. H9736.

other agencies to carry out projects and is to submit quarterly reports within 45 days after the end of each quarter to the House and Senate Appropriations Committees and the GAO identifying the savings achieved by OMB's government-wide IT reform efforts. The savings are to be identified by fiscal year, agency, and appropriation. The explanatory statement that accompanied the Consolidated and Further Continuing Appropriations Act directed the EOP to "identify the 10 highest priority IT investment projects that are under development across Federal agencies" and submit quarterly reports to the House and Senate Appropriations Committees, the Senate Committee on Homeland Security and Governmental Affairs, and the House Committee on Oversight and Government Reform on the status of these projects. It also directed the EOP to report quarterly on progress made by the Departments of Defense and Veterans Affairs "to build interoperability between the current Electronic Health Records (EHR) legacy systems and future EHR systems." Finally, the statement directed the EOP "to issue guidance to Federal agencies requiring all major IT investments to be consistently included on the IT Dashboard, to explore other meaningful data to include on the Dashboard, and to ensure the accuracy of investment data."[99]

- Data-driven Innovation: no funding provided, the same as the President's request.

P.L. 113-235 funded the federal drug control accounts at the following levels:

- ONDCP: $22.6 million, the same as the President's request. The office was authorized to accept, hold, administer, and use gifts, both real and personal, public and private, without fiscal year limitation, to aid or facilitate its work. The explanatory statement directed the ONDCP to report to the House and Senate Appropriations Committees, within 90 days after the act's enactment, on "(1) preventative steps the Administration is taking to educate people about the health risks posed by [synthetic drugs]; (2) how the Administration intends to address the manufacture, distribution, sale and use of synthetic drugs; and (3) ONDCP's coordination with other Federal agencies, Drug-Free Community coalitions, and High Intensity Drug Trafficking Area (HIDTA) partners to combat this threat."[100]
- HIDTAP: $245 million, $51.6 million (+26.7%) more than the President's request. Of the total, up to $2.7 million could be used for auditing services and associated activities.
- OFDCP: $107.2 million, $11.8 million (+12.3%) more than the President's request. The appropriation is to be allocated as follows: $93.5 million for the Drug-Free Communities Support Program (DFCSP), including $2.0 million for National Community Anti-Drug Coalition training; $9.0 million for anti-doping activities; $2.0 million for the United States membership dues to the World Anti-Doping Agency; $1.3 million for activities related to model state drug laws; and $1.4 million for drug court training and technical assistance.

Administrative provisions under the appropriation for the EOP and funds appropriated to the President in P.L. 113-235 included the following:

- Section 201 continues to authorize the OMB director (or other official designated by the President) to transfer up to 10% of appropriations between the White

[99] Explanatory Statement, Consolidated and Further Continuing Appropriations Act, 2015, p. H9736.

[100] Explanatory Statement, Consolidated and Further Continuing Appropriations Act, 2015, p. H9736.

House, Executive Residence at the White House, White House Repair and Restoration, Council of Economic Advisers, National Security Council and Homeland Security Council, Office of Administration, Special Assistance to the President, and Official Residence of the Vice President accounts, after the House and Senate Committees on Appropriations are notified at least 15 days in advance. An appropriation cannot be increased by more than 50% by such transfers. The Vice President will approve transfers from the Special Assistance to the President or Official Residence of the Vice President accounts.

- Section 202 requires the OMB director to report to the House and Senate Committees on Appropriations, within 90 days after the act's enactment, on the costs of implementing the Dodd-Frank Act. The report is to include the estimated mandatory and discretionary obligations of funds through FY2017, by federal agency and by fiscal year, including (1) the estimated obligations by cost inputs such as rent, IT, contracts, and personnel; the methodology and data sources used to calculate such estimated obligations; and the specific section of such act that requires the obligation of funds; and (2) the estimated receipts through FY2017 from assessments, user fees, and other fees by the federal agency making the collections, by fiscal year, including the methodology and data sources used to calculate such estimated collections; and the specific section of such act that authorizes the collection of funds.
- Section 203 requires the OMB director to include a statement of budgetary impact, including costs, benefits, and revenues, with any executive order issued during FY2015. The statement must include (1) a narrative summary of the budgetary impact of the order; (2) the impact on mandatory and discretionary obligations and outlays, listed by federal agency, for each year in the five-fiscal-year period beginning in FY2015; and (3) the impact on revenues of the federal government over the five-fiscal-year period beginning in FY2015. For an executive order issued because of a national emergency, the director may submit the statement within 15 days of the order's release.
- Section 204 requires the ONDCP director to submit to the House and Senate Appropriations Committees, within 60 days after the act's enactment, and prior to initially obligating more than 20% of the ONDCP funds, "a detailed narrative and financial plan on the proposed uses of all funds under the account by program, project, and activity." The reports must be updated every six months and include any changes in the estimates and assumptions of the previous reports. New projects and changes in the funding for ongoing projects will require advance approval by the committees.
- Section 205 provides that up to 2% of ONDCP appropriations may be transferred between appropriated programs within ONDCP with advance approval by the Senate and House Committees on Appropriations, but such transfer may not increase or decrease an appropriation by more than 3%.
- Section 206 provides that up to $1.0 million of ONDCP appropriations may be reprogrammed within a program, project, or activity with advance approval by the House and Senate Appropriations Committees.
- Section 610 of P.L. 113-235 prohibits the EOP from using funds to request an FBI official background investigation report on any individual except with the express written consent of the individual involved, within six months prior to the

date of such request and during the same presidential administration, or when required because of extraordinary circumstances involving national security.

- Section 622 of the law prohibits the use of funds to pay the salaries and expenses for the director of the White House Office of Health Reform, the assistant to the President for Energy and Climate Change, the senior advisor to the Secretary of the Treasury assigned to the Presidential Task Force on the Auto Industry and Senior Counselor for Manufacturing Policy, and the White House director of Urban Affairs.

The Judiciary[101]

As a co-equal branch of government, the judiciary presents its budget to the President, who transmits it to Congress unaltered. The FY2015 judiciary budget request totaled $7.30 billion. **Table 5** lists the judiciary's enacted amounts for FY2014, the President's FY2015 request, the amounts from H.R. 5016as passed by the House, the unnumbered original bill reported by the Senate Appropriations Subcommittee on Financial Services and General Government, and P.L. 113-235 as enacted.

Table 5. The Judiciary Appropriations, FY2014-FY2015

(in millions of dollars)

	FY2014 Enacted	FY2015 Request	FY2015 House Passed	FY2015 Senate Subcommittee	FY2015 Enacted
Supreme Court (total)	$86	$89	$89	$90	$89
Salaries and Expenses	*75*	*77*	*77*	*78*	*77*
Building and Grounds	*11*	*12*	*12*	*12*	*12*
U.S. Court of Appeals for the Federal Circuit	32	33	33	33	33
U.S. Court of International Trade	21	20	20	20	20
Courts of Appeals, District Courts, and Other Judicial Services (total)	6,649	6,885	6,870	6,869	6,847
Salaries and Expenses	*5,047*	*5,240*	*5,239*	*5,261*	*5,259*
Defender Services	*1,044*	*1,053*	*1,044*	*1,023*	*1,016*
Fees of Jurors and Commissioners	*54*	*56*	*56*	*56*	*52*
Court Security	*498*	*531*	*526*	*524*	*514*
Vaccine Injury Trust Fund	*5*	*5*	*5*	*5*	*5*
Administrative Office of the U.S. Courts	81	84	83	85	84
Federal Judicial Center	26	27	27	27	27

[101] This section authored by Matthew Glassman.

	FY2014 Enacted	FY2015 Request	FY2015 House Passed	FY2015 Senate Subcommittee	FY2015 Enacted
United States Sentencing Commission	16	17	17	17	17
Judiciary Discretionary Total (Title II)	**6,912**	**7,155**	**7,138**	**7,140**	**7,117**
Judicial Retirement Funds	127	144	144	144	144
Judiciary Discretionary and Mandatory Total	**$7,039**	**$7,299**	**$7,282**	**$7,283**	**$7,261**

Sources: P.L. 113-235 and Explanatory Statement; H.R. 5016 and accompanying H.Rept. 113-508; and unnumbered FSGG bill reported by Senate Subcommittee.

Note: All figures are rounded, and column sums may not equal the total due to rounding.

The Judiciary Budget and Key Issues

Appropriations for the judiciary comprise approximately 0.2% of total budget authority.[102]

Two accounts that fund the Supreme Court (the salaries and expenses of the Court and the expenditures for the care of its building and grounds, which are the responsibility of the Architect of the Capitol) together total approximately 1% of the total judiciary budget. The rest of the judiciary's budget provides funding for the lower federal courts and related judicial services.

The largest account, approximately 73% of the total FY2015 enacted level, is the Salaries and Expenses account for the U.S. Courts of Appeals, District Courts, and Other Judicial Services. This covers the "salaries of circuit and district judges (including judges of the territorial courts of the United States), justices and judges retired from office or from regular active service, judges of the U.S. Court of Federal Claims, bankruptcy judges, magistrate judges, and all other officers and employees of the federal judiciary not otherwise specifically provided for," and "necessary expenses of the courts." Two other large accounts provide funds for Defender Services (14.0%) and Court Security (7.1%).

The remaining judiciary budget is divided among the U.S. Court of Appeals for the Federal Circuit (0.5% in FY2015 enacted), U.S. Court of International Trade (0.3%), Fees of Jurors and Commissioners (0.7%), Administrative Office of the U.S. Courts (1.2%), Federal Judicial Center (0.4%), U.S. Sentencing Commission (0.2%), and Judicial Retirement Funds (2.0%).

Three special courts in the U.S. court system are not funded under the judiciary budget: the U.S. Court of Appeals for the Armed Forces (funded in the Department of Defense appropriations bill), the U.S. Court of Appeals for Veterans Claims (funded in the Military Construction, Veterans Affairs, and Related Agencies appropriations bill), and the U.S. Tax Court (funded under Independent Agencies, Title V, of the FSGG bill). Federal courthouse construction is funded within the General Services account under Independent Agencies, Title V, of the FSGG bill.

The judiciary uses non-appropriated funds to offset its appropriations requirement. The majority of these non-appropriated funds are from fee collections, primarily from court filing fees. These monies are used to offset expenses within the Salaries and Expenses account of Courts of Appeals, District Courts, and Other Judicial Services. Some of these funds may be carried forward from one year to the next. These funds are considered "unencumbered" because they

[102] Calculations by CRS using data from *Historical Tables, Budget of the United States Government, FY2015*, Table 5.2—Budget Authority By Agency: 1976–2018; available at http://www.whitehouse.gov/omb/budget/Historicals.

result from savings from the judiciary's financial plan in areas in which budgeted costs did not materialize. According to the judiciary, such savings are usually not under its control (e.g., the judiciary has no control over the confirmation rate of Article III judges and must make its best estimate on the needed funds to budget for judgeships, rent costs based on delivery dates, and technology funding for certain programs).

The judiciary also has "encumbered" funds—no-year authority funds appropriated for specific purposes. These are used when planned expenses are delayed, from one year to the next (e.g., costs associated with space delivery and certain technology needs and projects).

Judicial Security[103]

The safe conduct of court proceedings and the security of judges in courtrooms and off-site have been a concern in recent years. Efforts to improve judicial security have been spurred by the Chicago murders of family members of a federal judge in 2005; the Atlanta killings of a state judge, a court reporter, and a sheriff's deputy at a courthouse in 2005; the sniper shooting of a state judge in his Reno office in 2006; and the wounding of a deputy U.S. marshal and killing of a court security officer at the Lloyd D. George U.S. Courthouse and Federal Building in Las Vegas in 2010.[104] An FY2005 supplemental appropriations act[105] included a provision that provided intrusion detection systems for judges in their homes, and the Court Security Improvement Act of 2007[106] aimed to enhance security for judges and court personnel as well as courtroom safety for the public.

The judiciary has been working closely with the U.S. Marshals Service (USMS) to ensure that adequate protective policies, procedures, and practices are in place. The FY2015 appropriations continue a pilot program for the USMS to assume responsibility for perimeter security at selected courthouses that were previously the responsibility of the Federal Protective Service (FPS). This pilot was first authorized in FY2009 as a result of the judiciary's stated concerns that FPS was not providing adequate perimeter security. After the initial planning phase, USMS implemented the pilot program on January 5, 2009, and assumed primary responsibility for security functions at seven courthouses located in Chicago, Detroit, Phoenix, New York, Tucson, and Baton Rouge (location of two of the seven courthouses). The judiciary and USMS have been evaluating the program and identifying areas for improvement. The judiciary reimburses USMS for the protective services.

Supreme Court

The total FY2015 request for the Supreme Court, $89.1 million, was contained in two accounts: (1) Salaries and Expenses of $77.5 million and (2) Care of the Building and Grounds of $11.6 million.

The House-passed level of $77.5 million for the Salaries and Expenses account and $11.6 million for the Care of Building and Grounds account totaled $89.1 million. The Senate subcommittee-reported level of $77.6 million for the Salaries and Expenses account and $11.7 million for the

[103] For an analysis of court security and federal building security in general see, CRS Report R41138, *Federal Building, Courthouse, and Facility Security*, by Lorraine H. Tong and Shawn Reesel.

[104] Steve Friess, "Two Killed in Las Vegas Courthouse," *The New York Times*, January 4, 2010, at http://www.nytimes.com/2010/01/05/us/05vegas.html.

[105] P.L. 109-13.

[106] P.L. 110-177.

Care of Building and Grounds account totaled $89.3 million. P.L. 113-235 provided a total of $89.1 million.

U.S. Court of Appeals for the Federal Circuit

This court, consisting of 12 judges, has jurisdiction over and reviews, among other things, certain lower court rulings on patents and trademarks, international trade, and federal claims cases. The FY2015 budget request was $33.1 million. The House-passed bill would have provided $33.1 million, and the Senate subcommittee-reported bill would have provided $33.2 million. P.L. 113-235 provided $33.1 million.

U.S. Court of International Trade

This court has exclusive jurisdiction nationwide over civil actions against the United States, its agencies and officers, and certain civil actions brought by the United States arising out of import transactions as well as the administration and enforcement of federal customs and international trade laws.

The FY2015 request was $19.8 million, as was the House-passed level and the Senate subcommittee-reported level. P.L. 113-235 also provided $19.8 million.

Courts of Appeals, District Courts, and Other Judicial Services

The FY2015 funding request of $6,884.8 million covers 12 of the 13 courts of appeals and 94 district judicial courts located in the 50 states, District of Columbia, Commonwealth of Puerto Rico, Commonwealth of the Northern Mariana Islands, and the territories of Guam and the U.S. Virgin Islands. The House-passed level was $6,870.0 million and the Senate subcommittee-reported level was $6,868.7 million. P.L. 113-235 provided $6,846.9 million.

The account is divided among salaries and expenses, the Vaccine Injury Compensation Trust Fund, court security, defender services, and fees of jurors and commissioners.

Salaries and Expenses

The FY2015 request for this account was $5,239.6 million. The House-passed level would have provided $5,238.7 million and the Senate subcommittee-reported level was $5,261.3 million. P.L. 113-235 provided $5,258.8 million.

Vaccine Injury Compensation Trust Fund

Established to address a perceived crisis in vaccine tort liability claims, the Vaccine Injury Compensation Program funds a federal no-fault program that protects the availability of vaccines in the nation by diverting a substantial number of claims from the tort arena. The FY2015 request was $5.4 million, which was provided by the House-passed bill, the Senate subcommittee-reported bill, and P.L. 113-235.

Court Security

This account provides for protective guard services, security systems, and equipment needs in courthouses and other federal facilities to ensure the safety of judicial officers, employees, and visitors. Under this account, the majority of funding for court security is transferred to the U.S. Marshals Service to pay for court security officers under the Judicial Facility Security Program.

The FY2015 request was $530.8 million. The House-passed bill would have provided $525.8 million and the Senate subcommittee-reported bill would have provided $523.6 million. P.L. 113-235 provided $514.0 million.

Defender Services

This account funds the operations of the federal public defender and community defender organizations, and compensation, reimbursements, and expenses of private practice panel attorneys appointed by federal courts to serve as defense counsel to indigent individuals. The cost for this account is driven by the number and type of prosecutions brought by U.S. attorneys. The FY2015 request for these services was $1,053.2 million, while the House-passed bill would have provided $1,044.4 million and the Senate subcommittee-reported bill would have provided $1,022.6 million. P.L. 113-235 provided $1,016.5 million.

Fees of Jurors and Commissioners

This account funds the fees and allowances provided to grand and petit jurors, and compensation for jury and land commissioners. The FY2015 request was $55.8 million. Both the House-passed bill and the Senate subcommittee-reported bill would have provided funding at the requested level. P.L. 113-235 provided $52.2 million. The explanatory statement noted that this level is consistent with the most recent judiciary estimate of the account needs.[107]

Administrative Office of the U.S. Courts

As the central support entity for the judiciary, the AOUSC provides a wide range of administrative, management, program, and IT services to the U.S. courts. AOUSC also provides support to the Judicial Conference of the United States, and implements conference policies and applicable federal statutes and regulations. The FY2015 request for AOUSC was $84.4 million, the House-passed bill would have provided $82.8 million, and the Senate subcommittee-reported bill would have provided $84.5 million. P.L. 113-235 provided $84.4 million.

Federal Judicial Center

As the judiciary's research and education entity, the Federal Judicial Center undertakes research and evaluation of judicial operations for the Judicial Conference Committees and the courts. In addition, the center provides judges, court staff, and others with orientation and continuing education and training. The center's FY2015 request was $27.0 million. The House-passed bill would have provided $26.7 million and the Senate subcommittee-reported bill would have provided $27.1 million. P.L. 113-235 provided the requested $27.0 million.

United States Sentencing Commission

The commission promulgates sentencing policies, practices, and guidelines for the federal criminal justice system. The FY2015 request was $16.9 million. The House-passed bill provided $16.6 million and the Senate subcommittee-reported bill would have provided $17.0 million. P.L. 113-235 provides $16.9 million.

[107] Explanatory Statement, Consolidated and Further Continuing Appropriations Act, 2015, p. H9737.

Judiciary Retirement Funds

This mandatory account provides for three trust funds that finance payments to retired bankruptcy and magistrate judges, retired Court of Federal Claims judges, and the spouses and dependent children of deceased judicial officers. The FY2015 request was for $143.6 million. Both the House-passed and Senate subcommittee-reported bills provided funding at the requested level, as does P.L. 113-235. These funds are provided in Title VI (General Provisions) of the FSGG bill, rather than in Title III (the Judiciary).

Administrative Provisions

The House-passed and Senate subcommittee-reported FSGG bills each contained new and continuing administrative provision language.

House Bill Language Continued from FY2014

- Section 301 would have continued language to permit funds for salaries and expenses to be available for employment of experts and consultant services (as authorized by 5 U.S.C. §3109). (The judiciary also requested this section.)
- Section 302 would have continued language to permit up to 5% of any appropriation made available for FY2015 to be transferred between judiciary appropriations accounts, provided that no appropriation is decreased by more than 5% or increased by more than 10% by any such transfer, except in certain circumstances. In addition, the language provided that any such transfer be treated as a reprogramming of funds under Sections 604 and 608 of the bill and would not be available for obligation or expenditure except in compliance with the procedures set forth in those sections. (The judiciary also requested this section.)
- Section 303 would have continued language authorizing an amount not to exceed $11,000 to be used for official reception and representation expenses incurred by the Judicial Conference of the United States. (The judiciary also requested this section.)
- Section 304 would have continued language through FY2015 regarding the delegation of authority to the judiciary for contracts for repairs of less than $10,000. (The judiciary also requested this section.)
- Section 305 would have continued language to authorize a court security pilot program. (The judiciary also requested this section.)

House Proposed New Bill Language

- Section 306 would have extended temporary judgeships.
- Section 307 would have established a place of holding court in Bakersfield, California.

Senate Bill Language Continued from FY2014

The Senate subcommittee-reported bill recommended the House bill language continued from FY2014 listed above.

Senate Proposed New Bill Language

- Section 306 would have eliminated certain obsolete or ineffective statutory requirements that cause the judiciary to expend funds unnecessarily.
- Section 307 would have extended temporary judgeships.
- Section 308 would have authorized additional district judgeships and would have converted three temporary judgeships, in California, New Mexico, and Arizona, to permanent status.
- Section 309 would have amended the Jury Selection and Service Act to add additional categories under which a juror may not be excluded.

Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83, P.L. 113-235)

P.L. 113-235 contained provisions related to (1) salaries and expenses for employment of experts and consultant services; (2) transfers of up to 5%; (3) a limitation of $11,000 for official reception and representation expenses incurred by the Judicial Conference of the United States; (4) language enabling the judiciary to contract for repairs under $100,000; (5) the continuation of a court security pilot program; (6) a one-year extension of the authorization of temporary judgeships in Kansas, Hawaii, the eastern District of Missouri, the central District of California, and the western District of North Carolina; (7) the establishment of a place of holding court in Bakersfield, California; and (8) the elimination of certain reporting requirements.

District of Columbia[108]

The authority for congressional review and approval of the District of Columbia's budget is derived from the Constitution and the District of Columbia Self-Government and Government Reorganization Act of 1973 (the Home Rule Act).[109] The Constitution gave Congress the power to "exercise exclusive Legislation in all Cases whatsoever" pertaining to the District of Columbia. In 1973, Congress granted the city limited home rule authority and empowered citizens of the District to elect a mayor and city council. However, Congress retained the authority to review and approve all District laws, including the District's annual budget. As required by the Home Rule Act, the city council must approve a budget within 56 days after receiving a budget proposal from the mayor.[110] The approved budget must then be transmitted to the President, who forwards it to Congress for its review, possible modification, and approval.[111]

District of Columbia appropriations acts typically include the following three components:

1. *Special federal payments* appropriated by Congress to be used to fund particular initiatives or activities of interest to Congress or the Administration.
2. The *District's operating budget*, including funds to cover the day-to-day functions, activities, and responsibilities of the District government; enterprise funds that provide for the operation and maintenance of District government facilities or services that are entirely or primarily supported by user-based fees;

[108] This section authored by Eugene Boyd. For a more complete examination of appropriations for the District of Columbia, see CRS Report R43253, *FY2014 Appropriations: District of Columbia,* by Eugene Boyd.

[109] See Article I, Section 8, clause 17 of the U.S. Constitution; Section 446 of P.L. 93-198; 87 Stat. 801.

[110] 120 Stat. 2028.

[111] 87 Stat. 801.

and long-term capital outlays, such as road improvements. District operating budget expenditures are paid for by revenues generated through local taxes (sales and income), federal funds for which the District qualifies, and fees and other sources of funds.

3. *General provisions* are typically the third component of the District's budget reviewed and approved by Congress. These provisions can be grouped into several distinct but overlapping categories, with the most predominant being provisions relating to fiscal and budgetary directives and controls. Other provisions include administrative directives and controls, limitations on lobbying for statehood or congressional voting representation, congressional oversight, and congressionally imposed restrictions and prohibitions related to social policy.[112]

Both the President and Congress may propose financial assistance to the District in the form of "special federal payments" in support of specific activities or priorities. **Table 6** lists the amounts appropriated for FY2014; requested by the President for FY2015; requested by the District of Columbia for FY2015; approved by the House of Representatives; included in an unnumbered bill reported by the Senate Appropriation's Subcommittee on Financial Services and General Government; and enacted in the FY2015 FSGG appropriations bill.

Table 6. District of Columbia Appropriations, FY2014-FY2015: Special Federal Payments

(in millions of dollars)

	FY2014 Enacted	FY2015 Administration Request	FY2015 District Request	FY2015 House-passed	FY2015 Senate Subcommittee	FY2015 Enacted
Resident Tuition Support	30	40	40	20	40	30
Emergency Planning and Security	24	15	12	10	15	13
District of Columbia Courts	233	256	256	234	256	245
Defender Services	50	50	60	50	50	50
Court Services and Offender Supervision Agency	226	233	233	229	233	234
Public Defender Service	40	41	41	41	41	41

[112] Congress has, from time to time, included language authorizing new programmatic initiatives or amendments to the District of Columbia home rule charter in the District's Appropriations bill. For example, in 1995, Congress included language authorizing the creation of public charter schools in the District of Columbia as part of P.L. 104-134, a consolidated appropriation measure. In 2004, Congress included statutory provisions creating a school voucher program as part of the District of Columbia Appropriations, which was a component of a consolidated appropriations act, P.L. 108-199.

	FY2014 Enacted	FY2015 Administration Request	FY2015 District Request	FY2015 House-passed	FY2015 Senate Subcommittee	FY2015 Enacted
Criminal Justice Coordinating Council	2	2	2	2	2	2
Judicial Commissions	0.5	0.6	0.6	0.6	—	0.6
Water and Sewer Authority	14	16	16	—	16	14
School Improvement	48	43	43	45	43	45
Public Schools	*16*	*20*	*20*	*15*	*20*	*15*
Public Charter Schools	*16*	*20*	*20*	*15*	*20*	*15*
Education Vouchers-linked activities	*16*	*3*	*3*	*15*	*3*	*15*
D.C. National Guard	0.4	0.4	0.4	0.4	0.4	0.4
D.C. Comm. on Arts and Hum.	—	1	1	—	—	—
HIV/AIDS Prevention	5	5	5	5	5	5
Special Federal Payments (total)	**673**	**702**	**702**	**637**	**701**	**680**

Sources: P.L. 113-235 and Explanatory Statement; H.R. 5016 and accompanying H.Rept. 113-508; and unnumbered FSGG bill reported by Senate Subcommittee.

Note: Columns may not sum due to rounding. Values of less than $0.5 million are rounded to one decimal place.

The President's Budget Request

On March 14, 2014, the Obama Administration released its detailed budget request for FY2015. The Administration's proposed budget included $702.3 million in special federal payments to the District of Columbia. Approximately 82.9% ($582 million) of the President's proposed budget request for the District was targeted to the courts and criminal justice system. This included

- $255.9 million in support of court operations;

- $49.9 million for Defender Services;[113]
- $232.6 million for the Court Services and Offender Supervision Agency for the District of Columbia, an independent federal agency responsible for the District's pretrial services, adult probation, and parole supervision functions;
- $1.9 million for the Criminal Justice Coordinating Council;
- $41.2 million for the public defender's office;[114] and
- $565,000 to cover costs associated with investigating judicial misconduct complaints and recommending candidates to the President for vacancies to the District of Columbia Court of Appeals and the District of Columbia Superior Court.[115]

The President's budget request also included $83.6 million in support of education initiatives, with $43.0 million to support elementary and secondary education, $435,000 to support the D.C. National Guard college access program, and $40.0 million for college tuition assistance. These amounts represented 11.9% of the Administration's federal payment budget request for the District of Columbia.

The District's FY2015 Budget

On April 3, 2014, the mayor of the District of Columbia submitted a proposed budget to the District of Columbia Council, the Fiscal Year 2015 Budget Request Act of 2014. On June 26, 2014, the council approved a FY2015 budget that included $12.6 billion in proposed operating funds, $1.7 billion in proposed capital outlays, and $703 million in proposed special federal payments. The mayor vetoed the measure (B20-0749) on July 11, 2014, citing several items of concern in his veto message to the council. These included defunding of property tax relief for longtime residents of the District who are 70 years of age or older; imposing a tax on health club memberships; reducing funding for the 22-mile streetcar program; and imposing new restrictions on executive branch access and use of the Contingency Cash Reserve Fund.

On July 14, 2014, the council overrode the mayor's veto by a vote of 12 to 1, and enacted the Fiscal Year 2015 Budget Request Act of 2014 (A20-0370). The act included provisions to grant the District greater self-governance, providing some level of budget autonomy in the expenditure of local funds and legislative autonomy. Specifically, the act would in the absence of a regular appropriation, authorize the District, starting in FY2016 and each subsequent fiscal year, to spend local dollars as set forth in that year's budget request. Similar authority was provided by Congress for FY2014 and FY2015. In addition, the act would have amended the Home Rule Act granting partial budget autonomy to the District. The budget act, if approved by Congress, would have

[113] Funds are administered by the Joint Committee on Judicial Administration in the District of Columbia and may be used to provide court appointed attorneys and other services for (1) indigent persons charged with a criminal offense; (2) family proceedings in which child neglect is alleged or the termination of the parent-child relationship is under consideration; and (3) the representation and protection of mentally incapacitated individuals and minors whose parents are deceased. Funds may also be used to provide guardian training and payments for counsel appointed in adoption proceedings and for services such as transcripts of court proceedings, expert witness testimony, foreign and sign language interpretation, investigations, and genetic testing.

[114] The Public Defender Service for the District of Columbia is a federally funded, independent organization governed by an eleven-member Board of Trustees. Created by federal statute (P.L. 91-358; D.C. Code Section 2-1601), the Public Defender Service implements the constitutional mandate to provide criminal defense counsel for indigent individuals. The organization also provides legal representation for individuals facing involuntary civil commitment in the District's mental health system or parole revocation for D.C. Code offenses.

[115] This includes $295,000 to the Commission on Judicial Disabilities and Tenure and $270,000 to the Judicial Nomination Commission.

amended the District's home rule charter by removing language that currently subjects the District's general fund budget to the congressional appropriations process.

In addition to budget autonomy, the District's Fiscal Year 2015 Budget Request Act of 2014 included several provisions intended to advance legislative autonomy. The act would have

- eliminated the requirement that proposed amendments to the District's home rule charter be transmitted to Congress;
- no longer subject proposed charter amendments to the 35-day congressional review period;
- no longer subject the District's borrowing authority to the congressional appropriations process; and
- shorten the congressional review period (which currently allows Congress 30 legislative days to review non-criminal-code legislation passed by the District of Columbia Council and 60 days for legislation related to criminal offenses, procedures, and prisoners) by eliminating language that excludes Saturdays, Sundays, holidays, and any day on which neither chamber is in session because of an adjournment sine die, a recess of more than three days, or an adjournment of more than three days beginning on the day the legislation is transmitted to the House or Senate.

House Measure (H.R. 5016)

H.R. 5016 as passed by the House on July 17, 2014, included $636.6 million in special federal payments to the District. The House bill did not include funding for the District's Water and Sewer Authority and decreased by $10 million the amount that would have been appropriated for the Resident Tuition Support (college access) program compared to the President's request. The bill also would have directed $45 million in funding to support the District of Columbia Public Schools ($15 million), public charter schools ($15 million), and private school vouchers ($15 million).

General Provisions

The House bill included several general provisions governing budgetary and fiscal operations and controls including prohibiting deficit spending within budget accounts, establishing restrictions on the reprogramming of funds, and allowing the transfer of local funds to capital and enterprise fund accounts. In addition, the bill would have required the city's Chief Financial Officer to submit a revised operating budget for all District government agencies and the District public schools within 30 days after enactment.

The House bill also included several general provisions relating to statehood or congressional representation for the District, including provisions that would have continued prohibiting the use of *federal funds* to

- support or defeat any legislation being considered by Congress or a state legislature;
- cover salaries, expenses, and other costs associated with the office of Statehood Representative and Statehood Senator for the District of Columbia; and
- support efforts by the District of Columbia Attorney General or any other officer of the District government to provide assistance for any petition drive

or civil action seeking voting representation in Congress for citizens of the District.

H.R. 5016 would have prohibited the use of both District and federal funds for abortion services. In addition, the bill would have continued to prohibit the use of federal funds to administer needle exchange program or regulate the medical use of marijuana. Despite the federal prohibition, on June 12, 2012, the city announced the certification of four privately operated medical marijuana dispensaries.[116] The first dispensary opened on July 29, 2013.[117] In addition, the House bill would have prohibited the use of District and federal funds to administer regulations or to reduce penalties associated with recreational use of marijuana. The provision, which was introduced by Representative John Fleming as amendment during floor consideration of H.R. 5016, was a reaction to legislative act passed by the council and signed by the mayor that decriminalized possession of small quantities of marijuana.

Senate Measure (Unnumbered Subcommittee bill)

On July 24, 2014, the Senate Subcommittee on Financial Services and General Government reported to the full Appropriations Committee an unnumbered bill that included appropriations for the District of Columbia. As reported by the subcommittee, the bill would have appropriated $701 million in special federal payments to the District, approximately $2 million less than the Administration's request. The bill did not include funding for arts and humanities initiative or judicial commission, both supported by the Administration.

General Provisions

The Senate bill's general provisions mirrored some of the language included in the House bill. Like the House bill, the bill reported by the Senate subcommittee, but not considered by the full Committee, included provisions governing budgetary and fiscal operations and controls. It also included provisions that would have continued prohibiting the use of *federal funds* to

- support or defeat any legislation being considered by Congress or a state legislature;
- cover salaries, expenses and other costs associated with the office of Statehood Representative and Statehood Senator for the District of Columbia; and
- support efforts by the District of Columbia Attorney General or any other officer of the District government to provide assistance for any petition drive or civil action seeking voting representation in Congress for citizens of the District.

The bill also included changes in three provisions that city officials have sought to eliminate or modify. The bill would have

- continued the prohibition against the use of federal funds to provide abortion services;

[116] District of Columbia Department of Health, "DC Department of Health Notifies Applicants Eligible to Register for Medical Marijuana Dispensaries," press release, June 12, 2012, at http://newsroom.dc.gov/show.aspx/agency/doh/section/2/release/23453/year/2012.

[117] Ryan J. Reilly and Nick Wing, "Washington, D.C.'s First Medical Marijuana Dispensary Opens Blocks From Capitol," *Huffington Post*, July 30, 2013, at http://www.huffingtonpost.com/2013/07/30/washington-dc-medical-marijuana-dispensary_n_3676943.html.

- prohibited the use of federal funds to regulate and decriminalize the medical or recreational use of marijuana; and
- maintained the prohibition on the use of federal funds to support a needle exchange program.

The Senate subcommittee bill included provisions not included in previous District of Columbia appropriations acts passed by Congress that would have amended the District's home rule charter. The measure would have granted the city fiscal year and budget autonomy over the expenditure of locally raised funds, an action long sought by District officials. Specifically, the Senate subcommittee measure would have decoupled the District's fiscal year from the federal fiscal year and would have granted the District the authority to spend local funds if Congress had not enacted federal appropriations authorizing the expenditure of local funds before the start of the District's fiscal year. The bill also would have provided the District with local legislative autonomy, allowing the District to implement changes to local laws without a congressional review period.

Continuing Appropriations Resolution FY2015 (P.L. 113-164)

To mitigate the impact of congressional delays in the approval of the District's appropriations before the beginning of a fiscal year, Congress has routinely included language in continuing budget resolutions allowing the District to expend local funds on programs and activities. Such a provision was included in H.J.Res 124, allowing for the continued funding of federal activities to December 11, 2014. The measure was approved by the House on September 17 and the Senate on September 18, 2014. On September 19, 2014, the President signed the measure into law as P.L. 113-164. The act included a provision allowing the District to use locally raised revenues to fund District operations as outlined in Title IV of H.R. 5016 as passed by the House. Although the act included provisions releasing the city's General Fund budget for FY2015 from further congressional review, it did not include funding for special federal payments to the District.

Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83, P.L. 113-235)

P.L. 113-235 provided appropriations for special federal payments to the District of Columbia totaling $679.6 million. This included $572.7 million in special federal payments for criminal justice activities, including courts and offender supervision. This was $20 million more than the $552.1 million appropriated for FY2014 activities, with the majority of the $20 million increase allocated to court operations, court services, and offender supervision activities. The $679.6 million in total special payments is $22 million less than requested by the Administration, $20 million less than recommended by the Senate subcommittee, and $43 million more than recommended by the House bill.

The act also included several general provisions relating to statehood or congressional representation for the District, including provisions that continue to prohibit the use of *federal funds* to

- support or defeat any legislation being considered by Congress or a state legislature;
- cover salaries, expenses, and other costs associated with the office of Statehood Representative and Statehood Senator for the District of Columbia; and

- support efforts by the District of Columbia Attorney General or any other officer of the District government to provide assistance for any petition drive or civil action seeking voting representation in Congress for citizens of the District.

P.L. 113-235 prohibited the use of both District and federal funds for abortion services. The act continued to prohibit the use of federal funds to administer a needle exchange program. In addition, the act included a provision prohibiting the use of District and federal funds to develop and administer regulations or to reduce penalties associated with recreational use of marijuana. The provision, which was first introduced as an amendment to H.R. 5016, is intended to forestall District efforts to implement a marijuana decriminalized initiative (Initiative 71) approved by District voters.

Independent Agencies

The FSGG appropriations bill provides funding for more than two dozen independent agencies, performing a wide range of functions. These functions include the management of federal real property (GSA), the regulation of financial institutions and markets (SEC and CFTC), and mail delivery (USPS). **Table 7** lists for independent agencies the enacted amounts for FY2014, the President's FY2015 request, the amounts contained in the House-passed H.R. 5016 and the unnumbered bill reported by the Senate Appropriations Subcommittee on Financial Services and General Government, and the FY2015 enacted amounts.

Table 7. Independent Agencies Appropriations, FY2014-FY2015

(in millions of dollars)

Agency	FY2014 Enacted	FY2015 Request	FY2015 House Passed	FY2015 Senate Subcommittee	FY2015 Enacted
Administrative Conference of the United States	$3	$3	$3	$3	$3
Christopher Columbus Fellowship Foundation	2	—	—	—	—
Commodity Futures Trading Commission[a]	215	280	218	280	250
Consumer Product Safety Commission	118	123	119	123	123
Election Assistance Commission	10	10	—	10	10
Federal Communications Commission[b]	(340)	(375)	(323)	(375)	(340)
Federal Deposit Insurance Corporation: Office of Inspector General[c]	(35)	(35)	(35)	(35)	(35)
Federal Election Commission	66	68	68	68	68
Federal Labor Relations Authority	26	26	26	26	26
Federal Trade Commission	180	179	179	179	179
General Services Administration[d]	-340	244	-594	-153	-439
Harry S Truman Scholarship Foundation	1	—	—	1	1
Merit Systems Protection Board	45	43	43	48	45

Agency	FY2014 Enacted	FY2015 Request	FY2015 House Passed	FY2015 Senate Subcommittee	FY2015 Enacted
Morris K. Udall Foundation	6	5	—	5	5
National Archives and Records Administration	369	357[b]	357	362	362[b]
National Credit Union Administration	1	1	2	1	2
Office of Government Ethics	15	15	15	15	15
Office of Personnel Management (discretionary)	240	240	240	240	240
Office of Special Counsel	21	21	21	21	23
Postal Regulatory Comm.	14	15	14	15	15
Privacy and Civil Liberties Oversight Board	3	8	5	8	8
Recovery Accountability and Transparency Board	20	20	15	20	18
Securities and Exchange Commission[b]	(1,350)	(1,700)	(1,400)	(1,700)	(1,500)
Selective Service System	23	23	22	23	23
Small Business Administration	929	865	862	896	888
United States Postal Service	312	314	301	314	314
United States Tax Court	53	52	50	52	51
Total: Independent Agencies (discretionary)	**$2,305**	**$2,769**	**$1,943**	**$2,557**	**$2,204**

Sources: P.L. 113-235 and Explanatory Statement; H.Rept. 113-508; H.R. 5016; unnumbered FSGG bill reported by Senate Subcommittee; H.Rept. 113-468.

Notes: All figures are rounded. Columns may not sum due to rounding.

a. The CFTC is funded in the House through the Agriculture appropriations bill and in the Senate through the FSGG bill.

b. The FCC and the SEC received all of their FY2012 funding by collecting regulatory fees, resulting in no direct appropriations. Therefore, the amounts shown for the FCC and SEC represent budgetary resources made available by Congress, but those amounts are not included in the table totals.

c. Budget authority transferred to FDIC is not included in total FSGG appropriations; it is counted as part of the budget authority in the appropriation account from which it came.

d. GSA's real property activities are funded through the Federal Buildings Fund (FBF), a multi-billion dollar revolving fund into which rental payments from federal agencies that lease GSA space are deposited. Revenue in the FBF is then made available by Congress each year to pay for GSA's real property activities. A negative total for the FBF occurs when the amount of funds made available for expenditure in a fiscal year is less than the amount of new revenue expected to be deposited.

e. Amount as shown in the summary tables in S.Rept. 113-80 and the explanatory statement; figures do not include appropriations for repayments of principal on the construction of the Archives II facility. The amount reported in the President's budget request, $385.8 million, includes this principal repayment.

Bureau of Consumer Financial Protection[118]

The Dodd-Frank Act created a Bureau of Consumer Financial Protection (popularly known as the Consumer Financial Protection Bureau, or CFPB) as an independent agency. It receives funding from the Federal Reserve following a formula set in statute. This funding is not subject to review by the House and Senate Appropriations Committees, although the bureau may request additional funding, which would require enactment of an appropriations measure. Neither the President's budget request nor the Senate subcommittee bill contained changes to the underlying CFPB law and neither would have appropriated funds for the bureau. In contrast, H.R. 5016 as passed includes legislative language that would have prohibited any transfer of funds from the Federal Reserve to the CFPB as of October 1, 2015, instead authorizing regular appropriations for the CFBP. The bill would also have required regular notification and reports by the CFPB to the House and Senate Committees on Appropriations as well as the relevant authorizing committees through FY2015. P.L. 113-75 did not include legislative language changing the funding status of the CFPB.

Commodity Futures Trading Commission[119]

The Commodity Futures Trading Commission (CFTC) is the independent regulatory agency charged with oversight of derivatives markets. The CFTC's functions include oversight of trading on the futures exchanges, oversight of the swaps markets, registration and supervision of futures industry personnel, self-regulatory organizations and major participants in the swaps markets, prevention of fraud and price manipulation, and investor protection. Although most futures trading is now related to financial variables, such as interest rates, currency prices, and stock indexes, congressional authorization jurisdiction remains vested in the House and Senate Agriculture Committees because of the market's historical origins as an adjunct to agricultural markets. Appropriations for the CFTC are under the jurisdiction of the Agriculture Appropriations Subcommittee in the House and the Financial Services and General Government Appropriations Subcommittee in the Senate.

Following the financial crisis of 2008, concerns over the largely unregulated nature of the over-the-counter swaps markets led to various reforms passed in Title VII of the Dodd-Frank Act. This act brought the bulk of the previously unregulated over-the-counter swaps markets under CFTC jurisdiction as well as the previously regulated futures and options markets.[120] Passage of the Dodd-Frank Act resulted in the CFTC's oversight of the economically significant swaps markets with an estimated notional value of roughly $240 trillion in the United States. This newly regulated market comes on top of the CFTC's prior jurisdiction over the futures and options markets, with an estimated $34 trillion notional value in the United States.[121]

The President requested $280.0 million for the CFTC in FY2015 and the Senate FSGG subcommittee-reported bill included the same amount. The House Agriculture appropriations bill,

[118] For more information on the CFPB, see CRS Report IF10031, *Introduction to Financial Services: The Consumer Financial Protection Bureau (CFPB)*, by David H. Carpenter and Sean M. Hoskins and CRS Report R42572, *The Consumer Financial Protection Bureau (CFPB): A Legal Analysis*, by David H. Carpenter.

[119] This section authored by Rena Miller. For more information on the CFTC, see CRS Report R43117, *The Commodity Futures Trading Commission: Background and Current Issues*, by Rena S. Miller.

[120] A subset of the swaps market, called security-based swaps, which are swaps related to securities, such as stocks and bonds, are overseen by the Securities and Exchange Commission (SEC).

[121] Figures from the CFTC, in OMB, *Budget for Fiscal Year 2015*, "Appendix—Other Independent Agencies," p. 1271.

H.R. 4800, as reported by the House committee, would have provided $217.6 million. P.L. 113-235 appropriated $250.0 million for the CFTC.

Consumer Product Safety Commission[122]

The Consumer Product Safety Commission (CPSC) is a federal regulatory agency whose mission is to reduce the risk of harm to consumers from the use of a wide array of products. In carrying out its statutory responsibilities, the commission creates mandatory safety standards; works with industries to develop voluntary safety standards; bans products it deems unsafe when voluntary safety standards are not feasible; monitors the recall of defective products; informs and educates consumers about product hazards; conducts research on and develops testing methods for product safety; collects and publishes for public use data on injuries and product hazards; and promotes uniform product regulations with state and local governments.

In FY2014, the CPSC received $118.0 million in appropriated funds, or $9.0 million more than the amount enacted for FY2013. The agency's funding has increased substantially since FY2007, when it totaled about $62.0 million. From FY2008 through FY2010, Congress approved increases in funding, largely to support the implementation of major reforms initiated by the Consumer Product Safety Improvement Act of 2008 (CPSIA).[123] The 110th Congress passed this act partly as a response to a series of highly publicized recalls of imported products, particularly unsafe toys and other items manufactured for children. Among other things, the act enhanced the commission's recall authority, simplified the rulemaking process, established a new searchable database for consumer product complaints, and mandated the certification of consumer products.

The President's Budget Request

For FY2015, the Obama Administration requested $123.0 million in appropriations for the CPSC, or $5 million more than the amount enacted for FY2014.[124] The budget request called for no additional funding for the pool safety grant program established by the Virginia Graeme Baker Pool and Spa Safety Act,[125] $1.0 million to maintain the current operating level, and $5.0 million to start a five-year process of converting the existing import surveillance pilot program with the U.S. Customs and Border Protection agency into a full-scale national program. The budget request also asked Congress to authorize an import surveillance user fee that would begin to be collected in FY2016, assuming all the rules needed to implement it were established by then. When fully implemented, the fee would offset the entire cost of the import surveillance program.

Of the requested appropriations for FY2015, $29.7 million would have been directed to hazard identification and reduction; $24.4 million to compliance and field operations; $7.0 million to import surveillance; $2.1 million to education, global outreach, and small business; $19.9 million to IT; and $22.9 million to agency management, rent, and security.

Several major investments would have been funded under the budget request.[126] The CPSC would use $2.0 million to continue its participation in an interagency effort known as the National Nanotechnology Initiative; $1.3 million to operate the National Product Testing and Evaluation Center, which opened in 2011; $2.2 million to maintain a database on injuries caused by products

[122] This section authored by Gary Guenther.

[123] P.L. 110-314.

[124] Consumer Product Safety Commission, *Fiscal Year 2015 Performance Budget Request*, March 10, 2014, p.3. For more details, see http://www.cpsc.gov/Global/About-CPSC/Budget-and-Performance/FY2015BudgettoCongress.pdf.

[125] P.L. 110-140.

[126] CPSC, *Fiscal Year 2015 Performance Budget Request*, pp.14-17.

and treated in hospital emergency rooms known as the National Emergency Injury Surveillance System; $2.7 million for technical support of the Consumer Product Safety Risk Management System; $0.9 million on its consumer hotline; and $16.0 million for a staff of compliance field investigators.

House Measure (H.R. 5016)

H.R. 5016 as passed by the House would have provided appropriations of $119.0 million for the CPSC in FY2015, or $4 million less than the budget request.[127]

In its report on the bill, the House Appropriations Committee expressed support for the existing voluntary recall system for consumer products deemed hazardous and noted that it would oppose any initiative to make major changes in the system. The committee said the same thing about the current voluntary reporting system for companies wanting to inform the public about possible product defects or dangers.

In addition, the committee noted that it opposed any changes in the current certification requirements for consumer products, endorsed the import surveillance program, and encouraged the CPSC to "expeditiously administer grant funding for eligible entities" under the Virginia Graeme Baker Pool and Spa Safety Act.

Senate Measure (Unnumbered Subcommittee bill)

The bill reported by the Senate on Appropriations Subcommittee on Financial Services and General Government would have provided $123.0 million for the CPSC, an amount equivalent to the President's request.

Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83,P.L. 113-235)

Under P.L. 113-235, the CPSC received appropriations of $123.0 million for FY2015. Of this amount, $1.0 million was set aside for finding ways to reduce the costs incurred by companies for testing products to ensure they comply with current safety standards, without compromising compliance. The agency was directed to determine what additional information it would need to reduce testing costs in this manner and to inform affected companies the steps they can take to lower their testing expenses and still remain in compliance with the relevant standards. It was instructed to report to the appropriations committees within 90 days of the enactment of the bill on the current status of this effort.[128]

Another $4.0 million was reserved to expand the port surveillance program involving the CPSC and the U.S. Customs Bureau. Section 222 of the Consumer Product Safety Improvement Act of 2008 (CPSIA; P.L. 110-314) required the agency to develop and implement a "risk assessment methodology" for identifying shipments of consumer products into the United States that may contain goods that violate Section 17(a) of the CPSIA or any other statute enforced by the CPSC.

In addition, the act directed the agency to do more to reduce the use of flame retardant chemicals and to issue a report to the appropriations committees within 180 days of the enactment of the bill on the status of its efforts to work with the private sector to improve the safety standards for new

[127] H.Rept. 113-508, p. 47.

[128] Explanatory Statement, Consolidated and Further Continuing Appropriations Act, 2015, p. H9738.

and re-conditioned football helmets.[129] The commission was also instructed to submit a report to the congressional committees with jurisdiction in the same period on the extent to which existing voluntary standards for products regulated by the CPSC offer greater safety than the mandatory standards for the same products enforced by the commission, and any legislative changes that would be needed to enable it to update the mandatory standards more expeditiously.

Election Assistance Commission[130]

The Election Assistance Commission (EAC) was established under the Help America Vote Act of 2002 (HAVA).[131] The commission provides grant funding to the states to meet HAVA requirements and for election reform programs; provides for testing and certification of voting machines; issues studies of election issues; and promulgates voluntary guidelines for voting systems standards and issues voluntary guidance with respect to the act's requirements. Although the commission was not given new rulemaking authority under HAVA, the law transferred responsibilities for the National Voter Registration Act (NVRA),[132] including NVRA rule-making authority, from the Federal Election Commission (FEC) to the EAC. The Department of Justice is charged with enforcement responsibility under HAVA.

The President's budget request for FY2015 included $10.0 million for the EAC, of which $1.9 million was to be transferred to the National Institute of Standards and Technology (NIST) to support work on testing guidelines for voting system hardware and software.

The House Committee on Appropriations recommended eliminating the EAC and transferring its functions to the FEC. The committee report noted that all statutorily mandated positions are vacant, all appropriated funds for HAVA grants have been distributed, and the Administration has not requested additional funds. The report also noted that the President created an ad hoc commission to review concerns about long voter lines and military and overseas voting in the 2012 election and to recommend best practices, rather than directing the EAC to do so. The committee expressed support for legislation that was reported by the House Administration Committee in the 113th Congress to eliminate the EAC. H.R. 5016 as passed by the House provided no funding for the agency for FY2015

The Senate subcommittee bill would have provided $10.0 million for the EAC, with $1.9 million of that amount to go to NIST for election reform activities. P.L. 113-235 provided $10.0 million in appropriations for the EAC.

Federal Communications Commission[133]

The Federal Communications Commission (FCC) is an independent federal agency with its five members appointed by the President, subject to confirmation by the Senate. It was established by the Communications Act of 1934[134] and is charged with regulating interstate and international communications by radio, television, wire, satellite, and cable. The mission of the FCC is to ensure that the American people have available, "without discrimination on the basis of race,

[129] Explanatory Statement, Consolidated and Further Continuing Appropriations Act, 2015, p. H9738.

[130] This section authored by Kevin Coleman.

[131] P.L. 107-252; 116 Stat. 1666.

[132] P.L. 103-31; 107 Stat. 77.

[133] This section authored by Patricia Moloney Figliola.

[134] 47 U.S.C. §151 et seq.

color, religion, national origin, or sex, a rapid, efficient, Nationwide, and worldwide wire and radio communication service with adequate facilities at reasonable charges."

Almost all of the FCC's budget is derived from regulatory fees collected by the agency rather than through direct appropriations. The fees, often referred to as "Section (9) fees," are collected from license holders and certain other entities (e.g., cable television systems) and deposited into an FCC account. The law gives the FCC authority to review the regulatory fees and to adjust the fees to reflect changes in its appropriations from year to year. Most years, appropriations language prohibits the use by the commission of any excess collections received in the current fiscal year or any prior years. These funds remain in the FCC account and are not made available to other agencies or agency programs nor redirected into the Treasury's general fund.

For FY2015, the FCC requested a budget of $375.4 million to be funded entirely through auction proceeds (i.e., with no direct appropriations).

House Measure (H.R. 5016)

The House Committee on Appropriations would have appropriated $322.7 million for FY2015, all of which would have been derived from collecting offsetting collections. This was $52.6 million less than the FCC's request and $52.6 million less than the amount recommended by the Senate Subcommittee (see below).[135]

Senate Measure (Unnumbered Subcommittee bill)

The unnumbered bill passed by the Senate Subcommittee on Financial Services and General Government would have appropriated of $375.4 million for FY2015, all of which would have been derived from collecting offsetting collections. This amount was $52.6 million less than the FCC's request and $52.6 million more than what the House Committee recommended.[136]

[135] The committee's recommendation also includes bill language, which stipulates (1) up to $4,000 for official reception and representation expenses; purchase and hire of motor vehicles; and special counsel fees; (2) a collection of $322,748,000 in Section 9 fees; (3) a prohibition on amounts collected in excess of $322,748,000 from being available for obligation; (4) a prohibition on remaining offsetting collections from prior years from being available for obligation; (5) a cap of $106,000,000 for the administration and implementation of incentive auctions, as required by P.L. 112-96; and (6) provides not less than $11,090,000 for the Office of the Inspector General.

[136] The subcommittee's recommendation also includes bill language, which stipulates (1) up to $4,000 for official reception and representation expenses; purchase and hire of motor vehicles; special counsel fees; and services as authorized by 5 U.S.C. 3109, $375,380,313, to remain available until expended; (2) not less than $300,000 shall be available for consultation with federally recognized Indian tribes, Alaska Native villages, and entities related to Hawaiian Home Lands; (3) $375,380,313 of offsetting collections shall be assessed and collected pursuant to Section 9 of Title I of the Communications Act of 1934, shall be retained and used for necessary expenses and shall remain available until expended; (4) the sum herein appropriated shall be reduced as such offsetting collections are received during FY2015 so as to result in a final FY2015 appropriations estimated at $0; (5) any offsetting collections received in excess of $375,380,313 in FY2015 shall not be available for obligation; (6) remaining offsetting collections from prior years collected in excess of the amount specified for collection in each such year and otherwise becoming available on October 1, 2014, shall not be available for obligation; (7) notwithstanding 47 U.S.C. 309(j)(8)(B), proceeds from the use of a competitive bidding system that may be retained and made available for obligation shall not exceed $106,000,000 for FY2015; and (8) of the amount appropriated under this heading, not less than $11,090,000 shall be for the salaries and expenses of the Office of Inspector General.

Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83, P.L. 113-235)

P.L. 113-235 provided the FCC with an FY2015 budget of $339.8 million. As in recent previous years, this budget will be derived entirely from regulatory fees collected by the agency with no direct appropriations. Specific provisions include

- a requirement to spend not less than $300,000 for consultation with federally recognized Indian tribes, Alaska Native villages, and entities related to Hawaiian Home Lands;
- a limit on the proceeds from the competitive bidding system of $106 million for FY2015;
- a requirement that at least $11.1 million of the budget will be for the salaries and expenses of the Office of Inspector General; and
- a prohibition on using any appropriated funds to "modify, amend, or change [Commission] rules or regulations for universal service support payments to implement the February 27, 2004, recommendations of the Federal-State Joint Board on Universal Service regarding single connection or primary line restrictions on universal service support payments."

Federal Deposit Insurance Corporation: Office of the Inspector General[137]

The FDIC in general is funded through deposit insurance funds outside of the appropriations process. The FDIC's Office of the Inspector General is also funded from deposit insurance funds, but the amount is directly appropriated (through a transfer) to ensure the independence of the OIG. P.L. 113-235 appropriated $34.5 million for the FDIC OIG, the same amount as requested and as included in both House-passed and Senate subcommittee bills.

Federal Election Commission[138]

The FEC is an independent agency that administers, and enforces civil compliance with, the Federal Election Campaign Act (FECA)[139] and campaign finance regulations. The agency does so through educational outreach, rulemaking, and litigation, and by issuing advisory opinions.[140] The FEC also administers the presidential public financing system.[141] In recent years, FEC appropriations have generally been noncontroversial and subject to limited debate in committee or on the House and Senate floors.[142]

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[137] For more information on the FDIC, see CRS Report R41718, *Federal Deposit Insurance for Banks and Credit Unions*, by Darryl E. Getter.

[138] This section was written by R. Sam Garrett.

[139] P.L. 92-225; 86 Stat. 3.

[140] Effective September 2014, parts of federal election law, including FECA, were reclassified in the U.S. Code. FECA is currently codified at 52 §30101 et seq. The act was previously codified at 2 U.S.C. §431 et seq.

[141] The Treasury Department and IRS also have administrative responsibilities for presidential public financing. However, Congress does not appropriate funds for the program. For additional discussion, see CRS Report RL34534, *Public Financing of Presidential Campaigns: Overview and Analysis*, by R. Sam Garrett.

[142] For additional discussion of current campaign finance issues, see CRS Report R41542, *The State of Campaign*

For FY2015, the House-passed bill would have provided $67.5 million for the FEC, the same amount that the agency requested and $1.7 million (2.3%) more than appropriated in FY2014.[143] The House committee report and legislative language contained no additional instructions except a $5,000 limit on "reception and representation," a prohibition that has long been included in FEC appropriations provisions.[144] The Senate subcommittee-reported bill for FY2015 also included $67.5 million for the agency and contained the same reception and representation provisions as in the House measure. Congress maintained the $67.5 million appropriations for the FEC in P.L. 113-235.

As in previous years, approximately 90% of the FEC budget is expected to be accounted for by three major expense areas: (1) salaries and benefits, (2) rent, and (3) IT.[145] Although personnel and rent expenditures are fairly fixed, IT expenditures can vary. They have been consistently prominent in recent years and are again expected to be a major part of the agency's budget in 2015 and beyond. In particular, the commission launched a website-improvement initiative in late FY2014, which is expected to be an agency priority in FY2015 and beyond.[146] The agency also requests funds to strengthen IT security following high-profile attacks on the FEC website and "several attempts from overseas to penetrate agency systems during 2013."[147]

In addition to the FEC section of the House bill, Section 735 of the House measure—also included in P.L. 113-235 —contained a prohibition on requiring government contractors to provide information about their or their employees' federal campaign contributions, electioneering communications, or independent expenditures as a condition of receiving the contract. As CRS has noted elsewhere, the Obama Administration has reportedly considered issuing an executive order to require additional disclosure of government contractors' political expenditures. No such order has been issued, but several measures have proposed barring the disclosure reportedly under consideration.[148] Although other sections of the bill or amendments contain provisions related to campaign finance matters, such as restrictions on SEC reporting of political expenditures, these provisions are not directly relevant for the FEC and are not addressed in this section. Finally, separate provisions of P.L. 113-235 increased limits for certain contributions to political party committees. Additional information appears in another CRS product.[149]

Federal Trade Commission[150]

The Federal Trade Commission's (FTC) mission is to protect consumers from deceptive or illegal business practices and maintain or enhance competition in a broad range of industries. It does so

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Finance Policy: Recent Developments and Issues for Congress, by R. Sam Garrett.

[143] The FEC submits its budget request directly to Congress and, simultaneously, to OMB.

[144] H.Rept. 113-508, p. 118.

[145] Federal Election Commission, *Fiscal Year 2015 Congressional Budget Justification*, Washington, DC, March 7, 2014, p. 7, at http://www.fec.gov/pages/budget/fy2015/fy_2015_congressional_budget.pdf.

[146] FEC, *Fiscal Year 2015 Congressional Budget Justification*, p. 11.

[147] FEC, *Fiscal Year 2015 Congressional Budget Justification*, p. 9. See also Kenneth P. Doyle, "FEC Computers Hacked Repeatedly," *Daily Report for Executives*, December 23, 2013, p. A-7.

[148] SeeCRS Report R41542, *The State of Campaign Finance Policy: Recent Developments and Issues for Congress*, by R. Sam Garrett.

[149] See CRS Report R43825, *Increased Campaign Contribution Limits in the FY2015 Omnibus Appropriations Law: Frequently Asked Questions*, by R. Sam Garrett.

[150] This section authored by Gary Guenther.

by enforcing laws prohibiting anticompetitive, deceptive, or unfair business practices, and by educating consumers and business owners to foster informed consumer choices, improved compliance with the law, and vigorous competition in free and open markets.

Operating funds for the agency come from three sources, listed here in descending order of importance: (1) direct appropriations, (2) pre-merger filing fees under the Hart-Scott-Rodino Antitrust Improvements Act of 1976,[151] and (3) Do-Not-Call Registry fees.

The President's Budget Request

For FY2015, the Administration requested $293.0 million in total appropriations for the FTC, or $5.0 million less than the amount enacted for FY2014. Hart-Scott-Rodino pre-merger filing fees were expected to total $104.5 million, and Do-Not-Call fees would add another $15 million, leaving the FTC with a direct appropriation of $179.0 million in FY2015.[152]

Relative to enacted appropriations for the FTC in FY2014, the FY2015 request called for an increase of $5.1 million to maintain current operating levels and a decrease of $10.1 million owing to reductions in the costs for technology investments, staff relocations, and space acquisitions.

In keeping with the FTC's mission, its budget is divided into resources for protecting consumers and resources for promoting business competition. Under the FY2015 budget request, $165.9 million of total appropriations would serve the former purpose, whereas $127.1 million would support the latter purpose.

The requested funding for protecting consumers would be allocated among nine functional categories:

1. Privacy and identity protection: $9.8 million;
2. Financial practices: $15.6 million;
3. Marketing practices: $16.3 million;
4. Advertising practices: $10.0 million;
5. Enforcement: $9.3 million;
6. Planning and information: $21.6 million;
7. Consumer and business education: $6.4 million;
8. Economic and consumer policy analysis: $1.0 million; and
9. Management: $5.0 million

The requested funding for promoting business competition would be distributed among seven functional categories:

1. Premerger notification: $3.3 million;
2. Merger and joint venture enforcement: $33.8 million;
3. Merger and joint venture compliance: $1.9 million;
4. Non-merger enforcement: $23.4 million;
5. Non-merger compliance: $0.3 million;

[151] P.L. 94-435.

[152] Federal Trade Commission, *Fiscal Year 2015 Congressional Budget Justification*, Mar. 7, 2014, p. 3. For further details, see http://www.ftc.gov/system/files/documents/reports/fy-2015-congressional-budget-justification/2015-cbj.pdf.

6. Antitrust policy analysis: $1.1 million; and
7. Other direct: $3.4 million

House Measure (H.R. 5016)

H.R. 5016 as passed by the House would have provided total appropriations in FY2015 of $293.0 million, or the same as the budget request. This amount was expected to be offset by $100.0 million in Hart-Scott-Rodino pre-merger filing fees and $14 million in Do-Not-Call fees, leaving the FTC with direct appropriations of $179.0 million in FY2015.[153]

In its report on the bill, the House Appropriations Committee notified the FTC that it intended to continue to monitor the FTC's interactions with the Bureau of Consumer Financial Protection on issues for which they have joint jurisdiction, such as debt collection. The committee wanted to ensure that the enforcement and regulatory activities of the two agencies do not overlap to the extent that they "place unnecessary burdens on businesses, the economy, and the American taxpayer."

The committee also expressed concern about recent foreign acquisitions of U.S.-based pharmaceutical companies with the potential to "reduce U.S.-based research and development pipelines." More specifically, the committee argued that these takeovers could decrease competition in the pharmaceutical industry, leading to reduced employment and innovation in U.S. operations of pharmaceutical companies. To address this concern, the committee encouraged the FTC to consider the implications for specific market segments of proposed acquisitions of U.S.-based pharmaceutical firms by foreign competitors when assessing their competitive effects, and to apply "appropriate remedies to effectively preserve competition."

Senate Measure (Unnumbered Subcommittee bill)

The unnumbered bill reported by the Senate Appropriations Subcommittee on Financial Services and General Government would have provided total appropriations in FY2015 of $293.0 million, or the same as the budget request. This amount was expected to be offset by $100.0 million in Hart-Scott-Rodino pre-merger filing fees and $14 million in Do-Not-Call fees, leaving the FTC with direct appropriations of $179.0 million.

Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83, P.L. 113-235)

Under P.L. 113-235, the FTC received total appropriations of $293.0 million in FY2015. That amount was expected to be offset by the collection of $100.0 million in pre-merger filing fees and $14.0 million in telemarketing sales rule fees, leaving net appropriations of $179.0 million.

General Services Administration[154]

The General Services Administration (GSA) administers federal civilian procurement policies pertaining to the construction and management of federal buildings, disposal of real and personal property, and management of federal property and records. It is also responsible for managing the funding and facilities for former Presidents and presidential transitions.

[153] H.Rept. 113-508, p. 54.

[154] This section was written by Garrett Hatch.

GSA's real property activities are funded through the Federal Buildings Fund (FBF). The FBF is a revolving fund, into which rental payments from federal agencies that lease GSA space are deposited. Revenue in the fund is then made available by Congress each year to pay for specific activities: construction or purchase of new space, repairs and alterations to existing space, rental payments for space that GSA leases, installment payments, and other building operations expenses. These amounts are referred to as *limitations* because GSA may not obligate more funds from the FBF than permitted by Congress, regardless of how much revenue is available for obligation. Certain debts may also be paid for with FBF funds. A negative total for the FBF occurs when the amount of funds made available for expenditure in a fiscal year is less than the amount of new revenue expected to be deposited. A negative total does not mean that no funds are available from the FBF, only that there is a net gain to the fund under the proposed spending levels.

GSA's operating accounts are funded through direct appropriations, separate from the FBF. The total amount of funding for GSA is calculated by adding the amount of FBF funds made available to the amount of direct appropriations provided. **Table 8** lists GSA's enacted amounts for FY2014, the President's FY2015 request, the amounts contained in the House-passed H.R. 5016and the unnumbered bill reported by the Senate Appropriations Subcommittee on Financial Services and General Government, and the FY2015 enacted amounts.

Table 8. GSA Appropriations, FY2014-FY2015

(in millions of dollars)

Account	FY2014 Enacted	FY2015 Request	FY2015 House-passed	FY2015 Senate Subcommittee	FY2015 Enacted
Federal Buildings Fund	**-$581**	**—**	**-$833**	**-$397**	**-$679**
Limitations on Revenue	9,370	9,918	9,084	9,520	9,238
New Construction	*506*	*745*	*420*	*508*	*510*
Repairs and Alterations	*1077*	*1257*	*949*	*1,096*	*818*
Construction and Repair	*70*	—	—	—	—
Installation payments	*109*	—	—	—	—
Rental of Space	*5,387*	*5,671*	*5,455*	*5,671*	*5,667*
Building Operations	*2,221*	*2,244*	*2,244*	*2,244*	*2,244*
Repayment of Debt	—	—	—	—	—
Rental Income to Fund	-9,951	-9,917	-9,917	-9,917	-9,917
Operating Accounts	**241**	**244**	**239**	**243**	**240**
Government-wide Policy	58	59	58	59	58
Operating Expenses	63	61	61	61	61
Office of Inspector General	65	67	65	67	65
e-Government Fund	16	—	—	14	—
Federal Citizens Services	35	53	53	39	53
Former Presidents	4	3	2	3	3
Citizen Engagement	—	—	—	—	—

Account	FY2014 Enacted	FY2015 Request	FY2015 House-passed	FY2015 Senate Subcommittee	FY2015 Enacted
Total	**-$340**	**$244**	**-$594**	**-$153**	**-$439**

Source: P.L. 113-235 and Explanatory Statement; H.R. 5016and accompanying H.Rept. 113-508; and unnumbered FSGG bill reported by Senate Subcommittee.

Note: Columns may not sum due to rounding.

As shown in **Table 8,** the President proposed a limit of $9.918 billion from the FBF's available revenue for GSA's real property activities for FY2015, $548 million more than was provided in FY2014. The President also requested $243.9 million for GSA's operating accounts, an increase of $2.9 million above the FY2014 enacted level.

H.R. 5016 would have provided GSA with $9.130 billion from the FBF for real property activities in FY2015, $788 million less than the President's request and $240 million below the amount provided for FY2014. The House bill also would have provided $238.3 million for GSA's operating accounts, $5.6 million less than the President requested.

The Senate subcommittee bill would have provided GSA with $9.520 billion from the FBF for real property activities in FY2015, $398 million less than the President's request and $150 million more than was provided for FY2014. It also would have provided $243 million for GSA's operating accounts, $1 million less than the President's request and $2 million more than was provided for FY2014.

P.L. 113-235 provided GSA with $9.238 billion from the FBF for real property activities in FY2015, $680 million less than the President requested and $132 million less than was provided in FY2014. It also provided $240 million for GSA's operation accounts, $4 million less than the President requested and $1 million less than was provided for FY2014.

Electronic Government Fund (Now the Federal Citizen Services Fund)[155]

P.L. 113-235 transferred any remaining appropriated funds from the Electronic Government Fund (E-Gov Fund) to a newly established Federal Citizen Services Fund (FCSF). The law also appropriated $53.3 million to the new fund. The merger and the appropriation level follow the President's FY2015 request as well as House committee FY2015 recommendations.

Originally unveiled in advance of the President's proposed budget for FY2002, the E-Gov Fund and its appropriation historically were a somewhat contentious matter between the President and Congress. The E-Gov Fund was created to support interagency e-government initiatives approved by the Director of OMB.[156] The General Services Administration (GSA) administered the fund.

[155] This section was authored by Wendy Ginsberg.

[156] Pursuant to 44 U.S.C. §3604, the Electronic Government Fund (E-Gov Fund) projects "may include efforts to make Federal Government information and services more readily available to members of the public (including individuals, businesses, grantees, and State and local governments); make it easier for the public to apply for benefits, receive services, pursue business opportunities, submit information, and otherwise conduct transactions with the Federal Government; and enable Federal agencies to take advantage of information technology in sharing information and conducting transactions with each other and with State and local governments." According to the President's FY2014 budget request, the E-Gov Fund "provides for inter-agency electronic government, or E-Gov, initiatives and projects, which use the Internet or other electronic methods to provide individuals, businesses, and other government agencies with simpler and more timely access to Federal information, benefits, services, and business opportunities." (*The Budget for 2014: Appendix*, p. 1137.)

The fund and the projects it sustained had been closely scrutinized by Congress and the funding requested and appropriated amounts varied. For example, the President's initial $20 million request for FY2002 was cut to $5 million. Funding from FY2003 to FY2008 varied from $5 million to $3 million. For FY2009, President George W. Bush requested $5 million for the fund. Congress, however, provided no appropriations.[157] In FY2010, Congress appropriated $34 million. In FY2011, the appropriations dropped to $8 million. In both FY2012 and FY2013, the fund was appropriated at $12.4 million.

For FY2014, President Obama requested $20.2 million for the E-Gov Fund, 62.9% ($7.8 million) more than the fund's FY2013 appropriation level. For that same fiscal year, the House committee recommended the E-Gov Fund be combined with the FCSF[158] and renamed the "Information and Engagement for Citizens" account and be appropriated $40 million.[159] The Senate committee, however, recommended the E-Gov Fund be appropriated the $20.2 million requested by the President.[160] The FY2014 appropriations for the E-Gov Fund were $16 million.[161]

As noted above, President Obama did not request any funding for the E-Gov Fund for FY2015. GSA's Congressional Budget Justification for FY2015 recommended combining the E-Gov Fund with the FCFS, and maintaining the newly created joint fund as the FCFS. GSA's budget justification stated, "[t]he mission and purposes of the two funds are similar, creating opportunities for improved services, efficiency, and savings through the consolidation of authorization and appropriations."[162] The justification continued, noting that "access to the internet has increased opportunities" to merge the two funds and improve federal government interaction with the public. For FY2015, the President's budget request sought $53.3 million for the combined funds. According to GSA's budget justification, the new joint fund would provide "individuals, businesses, other government, and the media simpler and timelier access to [f]ederal information, services, benefits, and business opportunities from the government via the internet and other electronic means."[163]

Like the President's request for FY2015 and the House committee recommendation for FY2014, H.R. 5016 as passed by the House would have combined the E-Gov Fund with the FCSF. The House bill, in contrast to the GSA's proposal, sought to rename the fund the "Information and Engagement for Citizens" account. The House committee recommended $53.3 million in appropriations for the combined accounts, an amount identical to both the appropriated level and the President's budget FY2015 request—and 33.2% more than House committee recommended in FY2014 for the account that would have combined both funds. The House report indicated: "[w]hile these funds were created at different periods of time and developed different programs, they share a common objective—making it easier for citizens to understand and interact with their government."[164] The Senate subcommittee-reported bill neither addressed the President's nor the House's recommendations to combine the funds. Instead, the Senate subcommittee bill contained $14.1 million in appropriations for the E-Gov Fund. The bill also sought to prohibit the transfer of

[157] The E-Gov Fund, in previous years, was not spending its full appropriations.

[158] Pursuant to 40 U.S.C. §323, the Federal Citizen Services Fund is designed for the purpose of "disseminating [f]ederal [g]overnment information to the public and for other related purposes information and services."

[159] A similar recommendation was made, but not enacted, in FY2012.

[160] S.Rept. 113-80, p. 92.

[161] P.L. 113-76.

[162] U.S. General Services Administration, *FY2015 Congressional Justification*, p. FCSF-2, at http://www.gsa.gov/portal/mediaId/187523/fileName/FY15_Budget_Request.action. House appropriators made a similar recommendation in FY2012 and FY2014.

[163] GSA, *FY2015 Congressional Justification*, pp. FCSF-4 to FCSF-5.

[164] H.Rept. 113-508, p. 62. Identical language can be found in H.Rept. 113-172, p. 59.

E-Gov funding to any agency until "10 days after" a project and its "proposed spending plan" were submitted to the House and Senate appropriations committees.

Independent Agencies Related to Personnel Management Appropriations

The FSGG appropriations bill includes funding for four agencies with personnel management functions: the Federal Labor Relations Authority (FLRA), the Merit Systems Protection Board (MSPB), the Office of Personnel Management (OPM), and the Office of Special Counsel (OSC). **Table 9** lists the enacted amounts for FY2014, the President's FY2015 request, the amounts from H.R. 5016 as passed by the House, the unnumbered original bill reported by the Senate Appropriations Subcommittee on Financial Services and General Government, and P.L. 113-235 as enacted.

Table 9. Independent Agencies Related to Personnel Management Appropriations, FY2014-FY2015

(in millions of dollars)

Agency	FY2014 Enacted	FY2015 Request	FY2015 House passed	FY2015 Senate Subcommittee	FY2015 Enacted
Federal Labor Relations Authority (FLRA)	$26	$26	$26	$26	$26
Merit Systems Protection Board (MSPB, total)	45	43	43	48	45
Salaries and Expenses	*43*	*40*	*41*	*45*	*43*
Limitation on Administrative Expenses	*2*	*2*	*2*	*3*	*2*
Office of Personnel Management (OPM, total)	20,875	21,076	21,076	21,076	21,076
Salaries and Expenses	*96*	*96*	*96*	*96*	*96*
Limitation on Administrative Expenses	*119*	*118*	*118*	*118*	*118*
Office of Inspector General (OIG, salaries and expenses)	*5*	*4*	*4*	*4*	*4*
Office of Inspector General (limitation on administrative expenses)	*21*	*21*	*21*	*21*	*21*
Government Payments for Annuitants, Employee Health Benefits (mandatory, Title VI)	*11,404*	*11,806*	*11,806*	*11.806*	*11,806*
Government Payments for Annuitants, Employee Life Insurance (mandatory, Title VI)	*53*	*55*	*55*	*55*	*55*

Agency	FY2014 Enacted	FY2015 Request	FY2015 House passed	FY2015 Senate Subcommittee	FY2015 Enacted
Payment to Civil Service Retirement and Disability Fund (mandatory, Title VI)	*9,178*	*8,975*	*8,975*	*8,975*	*8,975*
Office of Special Counsel (OSC)	$21	$21	$21	$21	$23

Sources: P.L. 113-235 and Explanatory Statement; H.R. 5016 and accompanying H.Rept. 113-508; unnumbered FSGG bill reported by Senate Subcommittee; and FY2015 Congressional Justifications of the respective agencies.

Notes: All figures are rounded, and columns may not sum due to rounding.

The payments for health benefits, life insurance, and civil service retirement and disability are mandatory appropriations. Appropriations bills have generally provided "such sums as may be necessary" for these accounts with FY2015 House and Senate measures containing this language. For FY2015 (as in FY2012, FY2013, and FY2014, in the House bill), the House and Senate Appropriations Committees did not include funding for these accounts in Title V of the FSGG bill, as it had in previous years. Instead funding for these accounts appeared in Title VI of the respective bills (Section 624 of H.R. 5016 [FY2015] and in Section 617 of the Senate subcommittee bill [FY2015]) and in Section 619 of P.L. 113-235 [FY2015]). In this report, funding for health benefits, life insurance, and retirement is included in Title V to be consistent with prior year calculations.

Federal Labor Relations Authority[165]

The Federal Labor Relations Authority (FLRA) is an independent federal agency that administers and enforces Title VII of the Civil Service Reform Act of 1978.[166] Title VII is called the Federal Service Labor-Management Relations Statute (FSLMRS). The FSLMRS gives federal employees the right to join or form a union and to bargain collectively over the terms and conditions of employment. Employees also have the right not to join a union that represents employees in their bargaining unit. The statute excludes specific agencies and gives the President the authority to exclude other agencies for reasons of national security.[167] Agencies that are specifically excluded by law are the Federal Bureau of Investigation (FBI), Central Intelligence Agency (CIA), GAO, National Security Agency (NSA), Tennessee Valley Authority (TVA), FLRA, Federal Service Impasses Panel (FSIP), and the Secret Service.

The FLRA consists of a three-member authority, the Office of General Counsel, and the FSIP. The three members of the authority and the General Counsel are appointed to five-year terms by the President with the advice and consent of the Senate.

The authority resolves disputes over the composition of bargaining units, charges of unfair labor practices, objections to representation elections, and other matters. The General Counsel's office conducts representation elections, investigates charges of unfair labor practices, and manages the FLRA's regional offices. The FSIP resolves labor negotiation impasses between federal agencies and labor organizations.

[165] This section authored by Gerald Mayer and Barbara L. Schwemle.

[166] P.L. 95-454.

[167] 5 U.S.C. §7103.

For FY2015, the President requested appropriations of $25.548 million for the FLRA. This amount would fund 134 FTEs, the same level as FY2014.[168] The Senate subcommittee bill included an identical amount.

The House-passed bill would have provided appropriations of $25.5 million, slightly ($48,000 or -0.2%) less than the amount requested by the President.

P.L. 113-235 provided funding of $25.548 million, the same as the President's request.

Merit Systems Protection Board[169]

The Merit Systems Protection Board (MSPB) is an independent, quasi-judicial agency established to protect the civil service merit system. The MSPB adjudicates appeals primarily involving personnel actions, certain federal employee complaints, and retirement benefits issues.

The President's budget requested FY2015 appropriations of $42.6 million (including $40.3 million for salaries and expenses) for the MSPB. Under Section 1204(k) of Title 5 of the *United States Code*, the agency is authorized to submit an independent budget request. That submission requested appropriations of $49.4 million (including $46.8 million for salaries and expenses) and 250 FTEs, an increase of 24 FTE above the FY2014 level. The justification that accompanied the MSPB budget submission explained the need for the increased staffing:

> At the time of this submission, MSPB has more than 30 vacant positions in addition to the 24 additional FTE we are requesting. These vacancies comprise approximately 13% of our current authorized FTE of 226. Severe budget uncertainties in the last several fiscal years forced MSPB to suspend filling some vacant positions. Vacant staff positions have adversely affected agency performance as MSPB continues to hold key positions vacant including administrative judges, legal counsels, attorneys, study analysts, administrative specialists and high-level management positions. Low staff numbers contribute to a backlog of cases and prevent succession planning for administrative judges. The agency has also recently experienced several retirements and can expect more, as approximately a quarter of our employees are eligible to retire within the next year, including about half of our AJ's. Reductions in budgetary resources will hamper our ability to meet our performance goals and targets as well as delay the timely processing of appeals.[170]

MSPB's authorization expired on September 30, 2007.[171]

H.R. 5016 as passed by the House would have provided appropriations of $43.0 million (including $40.6 million for salaries and expenses) for the MSPB, which is $355,000 (+0.8%) more than the President's request. The House report stated that the committee is aware of the "unprecedented increase" in the agency's workload resulting from "historic levels of appeals"[172] in FY2014.

The Senate subcommittee-reported FSGG bill would have provided appropriations of $47.5 million (including $45.0 million for salaries and expenses) for the MSPB, $4.8 million (+11.4%) more than the President's request.

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[168] U.S. Federal Labor Relations Authority, *Congressional Budget Justification Fiscal Year 2015* (Washington: March 2014), p. 29.

[169] This section authored by Barbara L. Schwemle.

[170] U.S. Merit Systems Protection Board, *Congressional Budget Justification FY2015* (Washington: March 2014), p. 9.

[171] 5 U.S.C. §5509.

[172] H.Rept. 113-508, p. 64.

P.L. 113-235 provided appropriations of $45.1 million (including $42.7 million for salaries and expenses) for the MSPB, $2.4 million (+5.7%) more than the President's request.

Office of Personnel Management[173]

The Office of Personnel Management (OPM) is responsible for personnel management of the civil service of the federal government. The President's budget requested FY2015 appropriations of $96.0 million for OPM salaries and expenses. This amount included funding of $642,000 to strengthen the capacity and capabilities of the acquisition workforce, including recruitment, hiring, training, and retention of such workforce and IT in support of acquisition workforce effectiveness and management. The budget also requested appropriations of $118.4 million for trust fund transfers; $4.4 million for Office of Inspector General (OIG) salaries and expenses; and $21.3 million for OIG trust fund transfers for FY2015. The agency's FTE employment level was estimated to be 5,449 for FY2015, an increase of 28 above the FY2014 level. The justification that accompanied the OPM budget submission explained that the increased staffing would occur in Federal Investigative Services (FIS) and Planning and Policy Analysis (PPA). The increases result from staffing needs to meet new federal security standards and to support workload under the Affordable Care Act, the reorganization of some functions, and staff in mission critical areas.[174]

The agency's budget submission stated that the request "will permit OPM programs to prioritize their activities in support of the OPM strategic plan for FY2014 - 2018."[175] In addition, it will allow the Office of Inspector General to "continue to advance its prescription drug audit program, which includes audits of pharmacy benefit managers," and to continue the Federal Employees' Health Benefits Program (FEHBP) "claims data warehouse initiative" that "streamlines and enhances the various administrative and analytical procedures involved in the oversight of the FEHBP." The OIG also "will audit and examine Multi-State Plan Program (MSPP) records and accounts, review MSPP business practices, including their fraud detection systems," and provide findings and recommendations to OPM.[176]

H.R. 5016 as passed by the House would have provided appropriations of $95.9 million for OPM salaries and expenses, $118.4 million for trust fund transfers, $4.4 million for OIG salaries and expenses, and $21.3 million for OIG trust fund transfers. The OPM S&E amount was $129,000 (-0.1%) less than the President's request. The other amounts were the same as that request.

Section 624(a)(3), (4), and (5) of H.R. 5016 as passed by the House would have provided the mandatory appropriations for the health benefits, life insurance, and retirement accounts. According to the House Committee on Appropriations report, "These are accounts where authorizing language requires the payment of funds." The report stated that the budget request assumed the following estimated costs: $11,806.0 million for the Government Payment for Annuitants, Employee Health Benefits; $55.0 million for the Government Payment for Annuitants, Employee Life Insurance; and $8,975.0 million for Payment to the Civil Service Retirement and Disability Fund.[177]

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[173] This section authored by Barbara L. Schwemle.

[174] U.S. Office of Personnel Management, *Congressional Budget Justification Performance Budget FY2015* (Washington: March 2014), pp. 7 and 13-14.

[175] *Appendix, Budget of the United States, FY2015,* p. 1223.

[176] *Appendix, Budget of the United States, FY2015,* p. 1225.

[177] H.Rept. 113-508, p. 83.

The House committee report continued to encourage "Federal agencies to increase recruitment efforts within the United States territories" and directed OPM to provide "monthly reports on its progress in addressing the backlog in [retirement] claims" to the committee, and "prioritize moving to a fully-automated electronic filing system."[178]

The report stated the committee's expectation that the agency will re-examine the policy that continues to exclude cost-of-living adjustments (COLA) from base pay in calculating retirement annuities for federal employees in non-foreign areas.

P.L. 113-235 provided appropriations of $96.0 million for OPM salaries and expenses, $118.4 million for trust fund transfers, $4.4 million for OIG salaries and expenses, and $21.3 million for OIG trust fund transfers. These amounts are the same as the President's request and the same as contained in the Senate subcommittee-reported bill. Of the OPM salaries and expenses total, $642,000 was to strengthen the capacity and capabilities of the acquisition workforce, including recruitment, hiring, training, and retention of such workforce and information technology in support of acquisition workforce effectiveness and management.

The explanatory statement that accompanied P.L. 113-235 directed the agency to continue reporting on efforts to modernize the retirement system and provide monthly updates on progress to address the backlog in retirement claims; review the Department of Veterans Affairs request that OPM consider establishing two new General Schedule occupational series to meet hiring needs at the department, and report to the House and Senate Committees on Appropriations within 90 days of the act's enactment on this matter; and implement internal controls to ensure that contractor activities are properly monitored and investigations are appropriately conducted. With regard to the latter, the statement notes that a conflict of interest occurs when federal contractors are permitted to conduct final quality reviews of their work related to security clearances.

Office of Special Counsel[179]

The Office of Special Counsel (OSC) is an independent federal investigative and prosecutorial agency whose mission is to safeguard the merit system by protecting federal employees and applicants from prohibited personnel practices, especially reprisal for whistleblowing. The President's budget requested FY2015 appropriations of $21.5 million for the OSC. The agency's FTE employment level was estimated to be 128 for FY2015, an increase of 6 FTEs above the FY2014 level. The budget submission projected a moderate increase in whistleblower disclosure, Hatch Act, and prohibited personnel practice cases. According to the OSC, the requested funding will enable the agency "to implement new mandates from Congress, including the Whistleblower Protection Enhancement Act, protect the employment rights of returning service members, manage historically high intake levels, and protect the federal merit system from prohibited personnel and political practices."[180] OSC's authorization expired on September 30, 2007.[181]

H.R. 5016 as passed by the House and the Senate subcommittee-reported bill would have provided appropriations of $21.5 million for the OSC, the same as the President's request. P.L. 113-235 provided appropriations of almost $23 million, almost $1.5 million (+6.9%) more than the President's request. The explanatory statement that accompanied the Consolidated and

[178] H.Rept. 113-508, p. 67.

[179] This section authored by Barbara L. Schwemle.

[180] *Appendix, Budget of the United States, FY2015*, p. 1356.

[181] 5 U.S.C. §5509.

Further Continuing Appropriations Act, 2015 stated that the increased funding is provided so that the agency can address new estimates for casework.

National Archives and Records Administration[182]

P.L. 113-235 appropriated $381.7 million for the National Archives and Records Administration (NARA), $4.9 million (1.3%) less than the $386.6 million that was appropriated in FY2014. President Obama requested $376.7 million in appropriations for FY2015 for NARA,[183] $5 million (1.3%) less than was appropriated for FY2015 and $9.9 million (2.6%) less than NARA's FY2014 appropriations.[184] In FY2013, NARA was appropriated $375.0 million, which was reduced to $371.0 million because of sequestration.[185]

NARA's operating expenses accounted for the largest portion of both President Obama's request and the appropriated levels—95.6%. President Obama's request provided $360 million for operating expenses, whereas P.L. 113-235 provided $365 million.

As with previous years, for FY2015, the President maintained a separate $4.1 million request for the NARA Office of Inspector General (appropriated approximately $4 million annually since FY2012). For FY2015, the President requested $7.6 million for repairs and restorations ($0.4 million, or 5.0% less than his FY2014 request), and a separate $5.0 million for the National Historic Publications and Records Commission (NHPRC)—$2.0 million (66.7%) more than the $3.0 million request he made for FY2014.[186] Enacted appropriations levels for each of these NARA components for FY2015 were identical to the President's requests.

H.R. 5016 included appropriations levels identical to the President's request. The Senate subcommittee-passed bill would have appropriated $381.7 million for NARA—equal to the enacted level, but $5.0 million (1.3%) more than the President's FY2015 request and H.R. 5016's levels. Like the enacted level, the Senate subcommittee-passed bill appropriated NARA $365.0 million for operating expenses, 1.4% more than the President's request and the funding level contained in H.R. 5016.

National Credit Union Administration[187]

The National Credit Union Administration (NCUA) is an independent federal agency funded largely by the credit unions that the agency charters, insures, and regulates. The NCUA manages the Community Development Revolving Loan Fund (CDRLF). Established in 1979, the CDRLF assists officially designated '*low-income*' credit unions in providing basic financial services to low-income communities. Low-interest loans and deposits are made available to assist these credit unions. Loans or deposits are normally repaid in five years, although shorter repayment periods may be considered. Technical assistance grants are also available to low-income credit unions. Earnings generated from the CDRLF are available to fund technical assistance grants in

[182] This section authored by Wendy Ginsberg.

[183] *Appendix, Budget of the United States, FY2015,* p. 1332.

[184] *Appendix, Budget of the United States, FY2014,* p. 1272.

[185] U.S. National Archives and Records Administration, "President Requests $385.8M for National Archives FY2014 Budget," at http://www.archives.gov/press/press-releases/2013/nr13-86.html.

[186] *Appendix, Budget of the United States, FY2014,* pp. 1272-1274.

[187] For more information on the NCUA and credit unions see CRS Report R41718, *Federal Deposit Insurance for Banks and Credit Unions*, by Darryl E. Getter and CRS Report R43167, *Policy Issues Related to Credit Union Lending*, by Darryl E. Getter.

addition to funds provided for specifically in appropriations acts. Grants are available for improving operations as well as addressing safety and soundness issues. P.L. 113-235 appropriated $2.0 million for the CDRLF, an amount equal to H.R. 5016 and $0.9 million greater than the President's request and the Senate subcommittee-reported bill.

Privacy and Civil Liberties Oversight Board[188]

Originally established in 2004 by the Intelligence Reform and Terrorism Prevention Act[189] as an agency within the EOP, the Privacy and Civil Liberties Oversight Board (PCLOB) was reconstituted as an independent agency within the executive branch by the Implementing Recommendations of the 9/11 Commission Act of 2007.[190] The board assumed its new status on January 30, 2008; its FY2009 appropriations were its first funding as an independent agency. Among its responsibilities, the five-member board is to (1) ensure that concerns with respect to privacy and civil liberties are appropriately considered in the implementation of laws, regulations, and executive branch policies related to efforts to protect the nation against terrorism; (2) review the implementation of laws, regulations, and executive branch policies related to efforts to protect the nation from terrorism, including the implementation of information sharing guidelines; and (3) analyze and review actions the executive branch takes to protect the nation from terrorism, ensuring that the need for such actions is balanced with the need to protect privacy and civil liberties. The board is to advise the President and the heads of executive branch departments and agencies on issues concerning, and findings pertaining to, privacy and civil liberties. The board is to provide annual reports to Congress detailing its activities during the year, and board members appear and testify before congressional committees upon request.

The PCLOB received appropriations of $3.1 million for FY2014. The President requested $8.0 million for the PCLOB for FY2015, which would be $4.9 million more than the FY2014 enacted amount. The House approved $4.5 million for FY2015, which was $1.4 million above the FY2014 enacted amount and $3.5 million less than the President requested. The Senate subcommittee-reported bill would have provided $8.0 million for FY2015, the same as the President requested. P.L. 113-235 provides $7.5 million to the PCLOB for FY2015.

Recovery Accountability and Transparency Board[191]

The Recovery Accountability and Transparency Board (Recovery Board) was established by the American Recovery and Accountability Act of 2009[192] to provide oversight and transparency in the expenditure of Recovery Act funds. The Recovery Board was funded through the FSGG appropriations bill for the first time in FY2012. In previous fiscal years, the board was funded by now exhausted Recovery Act appropriations. In FY2014, the Recovery Board received appropriations of $20.0 million. The President requested $20.0 million for FY2015, the same amount provided for FY2014. The House approved $15.0 million for the Recovery Board for FY2015, $5 million below both the FY2014 enacted level and the President's request. The Senate FSGG appropriations subcommittee draft bill would have provided $20.0 million for FY2015, the same as the President's request and as the enacted amounts for FY2014. P.L. 113-235 provides

[188] This section was written by Garrett Hatch.

[189] 118 Stat. 3638 at 3684.

[190] P.L. 110-53; 121 Stat. 266 at 352.

[191] This section was written by Garrett Hatch.

[192] P.L. 111-5.

$18.0 million for FY2015, $2.0 million less than both the President's request and the amount the PCLOB received for FY2014.

Securities and Exchange Commission[193]

The SEC administers and enforces federal securities laws to protect investors from fraud, to ensure that sellers of corporate securities disclose accurate financial information, and to maintain fair and orderly trading markets. The SEC's budget is set through the normal appropriations process, but, under the Dodd-Frank Act, the agency's appropriations are offset by fees it collects from securities exchanges on the sales of stock and certain other securities transactions on those exchanges. The collections go directly to the Treasury Department. To achieve the offset, the act requires the agency to adjust the rates of its fees, making the agency's budget deficit-neutral.

The SEC's enacted FY2014 appropriations were $1.35 billion. For FY2015, the President requested that the agency receive $1.7 billion, with the Senate subcommittee-reported bill including the same amount. H.R. 5016 as passed the House, however, would have appropriated $1.4 billion. P.L. 113-235 included $1.5 billion for the SEC.

Selective Service System[194]

The Selective Service System (SSS) is an independent federal agency operating with permanent authorization under the Military Selective Service Act.[195] It is not part of the Department of Defense, but its mission is to serve the emergency manpower needs of the military by conscripting personnel when directed by Congress and the President. All males aged 18 through 25 and living in the United States are required to register with the SSS. The induction of men into the military via Selective Service (i.e., the draft) terminated in 1972 and has not been renewed. In 2004, an effort to provide the President with induction authority was rejected.[196] In January 1980, President Carter asked Congress to authorize standby draft registration of both men and women. Congress approved funds for male-only registration in June 1980. Efforts are underway to allow women to serve in combat units, which may lead to the modification of registration to include women.[197]

Funding of the Selective Service System has remained relatively stable over the years in terms of absolute dollars, but has decreased in terms of inflation adjusted funding. For FY2015, the President requested $22.9 million, whereas the House-passed bill included $21.5 million and the Senate subcommittee-reported bill included $23.0 million. P.L. 113-235 provides $22.5 million for the SSS.

Small Business Administration[198]

The Small Business Administration (SBA) administers a number of programs intended to assist small firms. Arguably, the SBA's four most important functions are to (1) guarantee loans made by banks and other financial institutions to small businesses—principally through the agency's

[193] This section authored by Gary Shorter.

[194] This section authored by Barbara Torreon.

[195] 50 U.S.C. §451 et seq.

[196] H.R. 163 in the 108th Congress, October 5, 2004, failed on a vote of 2 Yeas to 402 Nays (Roll Call No. 494).

[197] A section of H.R. 748in the 113th Congress would have required the registration of women for the Selective Service.

[198] This section authored by Robert Dilger and Sean Lowry. For more information, see CRS Report RL33243, *Small Business Administration: A Primer on Programs and Funding*, by Robert Jay Dilger and Sean Lowry.

Section 7(a) and 504/Certified Development Company business loan guaranty programs; (2) make low-interest loans to small businesses, nonprofit organizations, and households that are victims of hurricanes, earthquakes, floods, other physical disasters, and acts of terrorism; (3) finance training and technical assistance programs for small business owners and prospective owners; and (4) serve as an advocate for small business within the federal government.

The President's Budget Request

The Obama Administration requested appropriations of $864.6 million for the SBA in FY2015.[199] The Administration requested $256.9 million for salaries and expenses, $197.8 million for entrepreneurial development/non-credit programs, $147.7 million for business loan administration, $47.5 million for business loan subsidy costs, $19.4 million for the OIG, $8.5 million for the Office of Advocacy, and $186.9 million for disaster assistance.

For entrepreneurial development/non-credit programs, the Administration requested $2.8 million for the 7(j) Technical Assistance Program, $7.0 million for Boots to Business, $15.0 million for Entrepreneurship Education, $5.0 million for Growth Accelerators, $2.0 million for Historically Underutilized Business Zones (HUBZones), $20.0 million for Microloan Technical Assistance, $0.9 million for the National Women's Business Council, $2.0 million for Native American Outreach, $6.0 million for Regional Innovation Clusters, $7.0 million for Service Corps of Retired Executives (SCORE), $113.625 million for Small Business Development Centers, $2.5 million for Veterans Business Outreach Centers, and $14.0 million for Women's Business Centers. No funding was recommended for the PRIME Technical Assistance Program.

House Measure (H.R. 5016)

The House approved appropriations of $861.9 million for the SBA for FY2015, $2.7 million less than the Administration's request of $864.6 million. The House approved appropriations of $253.9 million for salaries and expenses, $197.8 million for entrepreneurial development/non-credit programs, $147.7 million for business loan administration, $47.5 million for business loan subsidy costs, $19.4 million for the OIG, $8.8 million for the Office of Advocacy, and $186.9 million for disaster assistance.

For entrepreneurial development/non-credit programs, the House recommended in the report accompanying the bill appropriations of $2.8 million for the 7(j) Technical Assistance Program, $7.5 million for Boots to Business, $7.025 million for Entrepreneurship Education, $3.0 million for HUBZones, $20.0 million for Microloan Technical Assistance, $1.0 million for the National Women's Business Council, $2.0 million for Native American Outreach, $5.0 million for PRIME Technical Assistance, $9.0 million for SCORE, $115.0 million for Small Business Development Centers, $8.0 million for State Trade and Export Promotion (STEP), $2.5 million for Veterans Business Outreach Centers, and $15.0 million for Women's Business Centers. The House did not approve funding for the Administration's Growth Accelerators Initiative or its Entrepreneurial Development Initiative (Regional Innovation Clusters).[200]

Senate Measure (Unnumbered Subcommittee bill)

The Senate Committee on Appropriations' Subcommittee on Financial Services and General Government approved appropriations of $895.8 million for the SBA for FY2015, $33.9 million more than the House and $31.2 million more than the Administration's request. The Senate

[199] *Appendix, Budget of the United States, FY2015,* pp. 1235-1245.

[200] See H.Rept. 113-508.

Subcommittee approved appropriations of $261.4 million for salaries and expenses, $224.5 million for entrepreneurial development/non-credit programs, $147.7 million for business loan administration, $47.5 million for business loan subsidy costs, $19.4 million for the OIG, $8.5 million for the Office of Advocacy, and $186.9 million for disaster assistance.

For entrepreneurial development/non-credit programs, the Senate subcommittee's draft report accompanying the bill recommended appropriations of $2.8 million for the 7(j) Technical Assistance Program, $7.5 million for Boots to Business, $6.0 million for Entrepreneurial Development Initiative (Regional Innovation Clusters), $7.0 million for Entrepreneurship Education, $5.0 million for Growth Accelerators, $2.0 million for HUBZones, $22.3 million for Microloan Technical Assistance, $0.9 million for the National Women's Business Council, $2.0 million for Native American Outreach, $7.5 million for SCORE, $114.5 million for Small Business Development Centers, $30.0 million for STEP, $3.0 million for Veterans Business Outreach Centers, and $14.0 million for Women's Business Centers. The Senate Subcommittee's draft report did not recommend funding for PRIME.

Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83, P.L. 113-235)

P.L. 113-235 appropriated $887.6 million to the SBA for FY2015: $257.0 million for salaries and expenses, $220.0 million for entrepreneurial development/non-credit programs, $147.7 million for administrative expenses related to the SBA's business loan programs, $47.5 million for business loan credit subsidies, $19.4 million for the OIG, $9.1 million for the Office of Advocacy, and $186.9 million for disaster assistance.

Language in the explanatory statement accompanying P.L. 113-235 directs the SBA to provide $2.8 million for the 7(j) Technical Assistance Program, $7.5 million for Boots to Business, $7.0 million for Entrepreneurship Education, $4.0 million for Growth Accelerators, $3.0 million for HUBZones, $22.3 million for Microloan Technical Assistance, $1.0 million for the National Women's Business Council, $2.0 million for Native American Outreach, $5.0 million for PRIME, $6.0 million for Regional Innovation Clusters, $8.0 million for SCORE, $115.0 million for Small Business Development Centers, $17.4 million for State Trade and Export Promotion, $3.0 million for Veterans Business Outreach Centers, $15.0 million for Women's Business Centers, and $1 million for the Intermediate Lending Program.[201]

United States Postal Service[202]

The U.S. Postal Service (USPS) generates nearly all of its funding—nearly $68 billion annually—by charging mail users for the costs of the services it provides.[203] Congress, however, does provide annual appropriations to compensate the USPS for revenue it forgoes in providing

[201] See Explanatory Statement, Consolidated and Further Continuing Appropriations Act, 2015, p. H9740.

[202] This section was authored by Michelle Christensen. Also see CRS Report RS21025, *The Postal Revenue Forgone Appropriation: Overview and Current Issues*, by Kevin R. Kosar.

[203] U.S. Postal Service (UPSP), *2014 Annual Report, SEC Form 10-K*, December 5, 2014, p. 68, available at http://about.usps.com/who-we-are/financials/10k-reports/fy2013.pdf. Also see CRS Report R43162, *The U.S. Postal Service's Financial Condition: A Primer*, by Daniel J. Richardson.

free mailing privileges to the blind[204] and overseas voters.[205] Congress authorized appropriations for these purposes in the Revenue Forgone Reform Act of 1993 (RFRA).[206] This act also permitted Congress to provide the USPS with a $29 million annual reimbursement until 2035 to pay for the costs of postal services provided at below-cost rates to not-for-profit organizations in the early 1990s.[207] Funds appropriated to the USPS are deposited in the Postal Service Fund, a revolving fund at the U.S. Department of the Treasury.

The Postal Accountability and Enhancement Act[208] (PAEA), which was enacted on December 20, 2006, first affected the postal appropriations process in FY2009. Under the PAEA, both the U.S. Postal Service Office of Inspector General (USPSOIG) and the Postal Regulatory Commission (PRC)[209] must submit their budget requests directly to Congress and to the OMB.[210] The law further requires that funding for these two agencies must be provided out of the Postal Service Fund (PSF).[211] In addition, it requires USPSOIG's budget submission be treated as a component of USPS's total budget, whereas the PRC's budget, like the budgets of other independent regulators, is treated separately.[212]

For FY2015, the

- USPS and the President requested $70.4 million for the PSF to compensate for revenue forgone in providing free and reduced mail.[213] The House-passed bill included $58.3 million.[214] The Senate subcommittee bill included the same amount as the President—$70.4 million.[215] P.L. 113-235 provided $70 million, of which $41 million is an advance appropriation.

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[204] 84 Stat. 757; 39 U.S.C. §3403. See also USPS, *Mailing Free Matter for Blind and Visually Handicapped Persons: Questions and Answers*, Publication 347 (Washington: USPS, May 2005), at http://www.usps.com/cpim/ftp/pubs/pub347.pdf.

[205] Members of the Armed Forces and U.S. citizens who live abroad are eligible to register and vote absentee in federal elections under the provisions of the Uniformed and Overseas Citizens Absentee Voting Act of 1986 (42 U.S.C. §1973ff-ff-6). See CRS Report RS20764, *The Uniformed and Overseas Citizens Absentee Voting Act: Overview and Issues*, by Kevin J. Coleman.

[206] P.L. 103-123, Title VII; 107 Stat. 1267; 39 U.S.C. §2401(c)-(d).

[207] See CRS Report RS21025, *The Postal Revenue Forgone Appropriation: Overview and Current Issues*, by Kevin R. Kosar.

[208] P.L. 109-435; 120 Stat. 3198. On PAEA's major provisions, see CRS Report R40983, *The Postal Accountability and Enhancement Act of 2006*, by Kevin R. Kosar.

[209] The Postal Regulatory Commission (PRC) is an independent agency responsible for regulatory oversight of the USPS, including USPS's compliance with applicable laws and its process for setting postal rates. See http://www.prc.gov/prc-pages/default.aspx.

[210] P.L. 109-435; 120 Stat. 3240-3241.

[211] Ibid.

[212] Ibid. Although the Postal Accountability and Enhancement Act (PAEA) did not authorize any additional appropriations to the Postal Service Fund (PSF), it did alter the budget submission process for the USPS's Office of Inspector General (USPSOIG) and the Postal Rate Commission (now the Postal Regulatory Commission). In the past, the USPSOIG and the PRC submitted their budget requests to the USPS's Board of Governors. Accordingly, past presidential budgets did not include the USPOIG's or PRC's funding requests or report on their current and estimated appropriations levels.

[213] *Appendix, Budget of the United States, FY2015*, p. 1359.

[214] H.Rept. 113-508, p. 79; and H.R. 5016, p. 92.

[215] Senate Subcommittee bill, p. 98.

- PRC and the President requested $15.3 million be transferred from the PSF for the PRC.[216] The House-passed bill included $14.2 million for the PRC.[217] The Senate subcommittee bill included the same amount as the President—$15.3 million.[218] P.L. 113-235 provided $14.7 million.
- USPSOIG and the President requested $243.9 million be transferred from the PSF for the USPSOIG.[219] The House-passed bill included $243.0 million.[220] The Senate subcommittee bill included the same amount as the President—$243.9 million.[221] P.L. 113-235 provided $243.9 million.

Both of the House and Senate FY2015 FSGG measures also contained postal policy provisions.

The House-passed FSGG bill would have renewed four long-standing appropriations policies:

(1) requiring USPS to continue six-day mail delivery;

(2) stipulating that mail for overseas voting and mail for the blind shall continue to be free;

(3) prohibiting appropriated funds from being used to charge a fee to a child support enforcement agency seeking the address of a postal customer; and

(4) prohibiting funds from being used to consolidate or close small rural and other small post offices.[222]

In addition, the House report directed USPS to refrain from relocating services provided in historic properties or suspend sales of any historic post office facilities until the USPS has implemented the recommendations of the USPS Office of Inspector General and the Advisory Council on Historic Preservation.[223]

The Senate subcommittee bill also proposed renewing the same, aforementioned long-standing appropriations policies, such as requiring six-day mail delivery.[224]

President Obama's FY2015 budget request, like the House and Senate measures, proposed extending the aforementioned long-standing appropriations policies—except for six-day mail delivery.[225] The Administration proposed implementing several operational reforms intended to "reduce Postal costs and improve its revenue," such as moving to five-day delivery and shifting to centralized and curbside mail delivery, where appropriate.[226]

The Administration also proposed several changes to how the USPS calculates, pays, and prefunds its retiree benefits, including

[216] *Appendix, Budget of the United States, FY2015,* p. 1364.

[217] H.Rept. 113-508, p. 79; and H.R. 5016, p. 84.

[218] Senate Subcommittee bill, p. 98.

[219] *Appendix, Budget of the United States, FY2015,* p. 1363.

[220] H.Rept. 113-508, p. 80; and H.R. 5016, p. 93.

[221] Senate Subcommittee bill, p. 99.

[222] H.R. 5016, p. 92.

[223] H.Rept. 113-508, p. 79.

[224] Senate Subcommittee bill, p. 98.

[225] *Appendix, Budget of the United States, FY2015,* p. 1359.

[226] *Appendix, Budget of the United States, FY201*, p. 1362.

- requiring the OPM to recalculate USPS's Federal Employee Retirement System balance using USPS's specific demographics, and to return any overpayment to the USPS over a period of two years;[227]
- allowing the USPS to draw upon the Retiree Health Benefits Fund (RHBF) to pay the healthcare insurance premiums for current USPS retirees;[228]
- providing the USPS temporary financial relief by reducing the statutorily required prepayments to the RHFB for FY2014, FY2015, and FY2016;[229]
- restructuring USPS's RHBF payments schedule as a 40-year amortization beginning in FY2017;[230] and
- codifying the missed RHBF payments from FY2012 and FY2013, which totaled approximately $16.7 billion.[231]

The President's budget stated that, "[t]ogether, these reforms would set USPS on a sustainable business path, providing it with over $20 billion in cash relief, operational savings and revenue through 2016, and yield an estimated PAYGO savings of $38 billion over 11 years."[232]

P.L. 113-235 renewed the same three long-standing appropriations policies listed in the President's budget request:

- free mail for overseas voting and mail for the blind;
- prohibition on using appropriated funds to charge a fee to a child support enforcement agency seeking the address of a postal customer; and
- prohibition on using appropriated funds to consolidate or close small rural and other small post offices.

Unlike the President's budget, the enacted appropriations also renewed the long-standing provision requiring USPS to continue six-day mail delivery. In addition, the accompanying explanatory statement

- encouraged the USPS to complete additional required impact analysis and conduct outreach to affected communities prior to moving forward with its plans to consolidate up to 82 mail processing facilities; and
- directed the Postmaster General to submit a report to the appropriations committee on "steps the United States Postal Service (USPS) will take in fiscal year 2015 to improve postal worker safety."[233]

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[227] Ibid.

[228] *Appendix, Budget of the United States, FY2015*, p. 1228. Current law forbids drawing funds from the RHBF until FY2017.

[229] Ibid. Current law requires 10 years of fixed prefunding payments (FY2007-FY2016) into the RHBF followed by a 40-year amortization of any remaining unfunded obligation. The President's Budget proposes to make up the reduced payments by paying larger amounts in future years.

[230] Ibid.

[231] Ibid. Also see *Appendix, Budget of the United States, FY2015*, p. 1362. The missed RHBF payments from FY2012 and FY2013 are already factored into the 40-year amortization, but remain as outstanding USPS liabilities in its financial statements each fiscal year.

[232] *Appendix, Budget of the United States, FY2015*, p. 1362.

[233] Explanatory Statement, p. H9741.

United States Tax Court[234]

A court of record under Article I of the Constitution, the United States Tax Court (USTC) is an independent judicial body that has jurisdiction over various tax matters as set forth in Title 26 of the *United States Code*. The court is headquartered in Washington, DC, but its judges conduct trials in many cities across the country.

The USTC received $53 million in FY2014.[235] The President requested $52 million for FY2015, a decrease of $1 million from FY2014 enacted appropriations.[236] The House approved $50 million for FY2014, which was $2 million less than the President requested and $3 million below the FY2014 enacted amount.[237] The Senate FSGG appropriations subcommittee draft bill would have provided $52 million for FY2015, the same as the President's request and $1 million less than the FY2014 enacted amounts. P.L. 113-235 provided $51 million for FY2015, $1 million less than the President requested and $2 million less than the USTC received for FY2014.

General Provisions Government-Wide[238]

The Financial Services and General Government Appropriations Act includes general provisions applying government-wide. Most of the provisions continue language that has appeared under the General Provisions title for several years because Congress has decided to reiterate the language rather than making the provisions permanent. An Administration's proposed government-wide general provisions for a fiscal year are generally included in the Budget Appendix.[239] Among the new provisions proposed for FY2015 were the following (whether the provision was included in the budget proposal; H.R. 5016 as passed by the House; the unnumbered bill passed by the Senate Appropriations FSGG Subcommittee, or P.L. 113-235 is noted).

New Government-wide General Provisions Enacted for FY2015

- Section 735 prohibits the use of funds to enter into a contract, memorandum of understanding, or cooperative agreement with, make a grant to, or provide a loan or loan guarantee to, any corporation that has any unpaid Federal tax liability that has been assessed. The liability was one for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability. The provision applies where the awarding agency is aware of the unpaid tax liability, unless a Federal agency has considered suspension or debarment of the corporation and made a determination that this further action is not necessary to protect the interests of the government. (FY2015 budget proposal and Section 744 of P.L. 113-235)
- Section 736 prohibits the use of funds to enter into a contract, memorandum of understanding, or cooperative agreement with, make a grant to, or provide a loan or loan guarantee to, any corporation that was convicted of a felony criminal violation under any federal law within the preceding 24 months. The provision

[234] This section was written by Garrett Hatch.

[235] H.Rept. 113-72, p. 143.

[236] Ibid.

[237] S.Rept. 113-80, p. 169.

[238] This section authored by Barbara L. Schwemle.

[239] For FY2015, the provisions are listed in the *Appendix, Budget of the United States, FY2015*, pp. 9-13.

applies where the awarding agency is aware of the conviction, unless a federal agency has considered suspension or debarment of the corporation and made a determination that this further action is not necessary to protect the interests of the Government. (FY2015 budget proposal and Section 745 of P.L. 113-235)

- Section 751 directs the OMB director, in consultation with the Council of Inspectors General on Integrity and Efficiency, the Government Accountability Office, and other stakeholders, to develop (1) criteria for an agency that has demonstrated a stabilized, effective system of internal control over financial reporting, whereby the agency would qualify for a consolidated department level audit for obtaining a financial statement audit opinion, rather than an agency level audit; and (2) recommendations on how to improve current financial reporting requirements to increase government transparency and better meet the needs of all stakeholders. The criteria are to be developed within one year after the act's enactment. (Unnumbered Senate bill; Section 746 of P.L. 113-235)

New Government-wide General Provisions Proposed but not Enacted for FY2015

- Section 739 would have provided that federal employees in each executive agency be managed each fiscal year solely on the basis of, and consistent with the workload required to carry out the functions and activities of that agency, and the funds made available to that agency for that fiscal year. The management of federal employees in any fiscal year would not be subject to any limitation in terms of work years, full-time equivalent positions, or maximum number of Federal employees. An agency could not be required to make a reduction in the number of full-time equivalent positions, unless that reduction is necessary due to a reduction in funds available to the agency; or required under a statute that is enacted after this act's enactment date; and specifically refers to this section. The provision did not apply to the Department of Defense. (Unnumbered Senate bill)
- Section 746 would have prohibited the use of funds for other than coach-class transportation accommodations by an agency that fails to submit the report relating to the use of such accommodations for FY2015 as required by the Federal Travel Regulation. (Unnumbered Senate bill)
- Section 747 would have directed that an agency Chief Information Officer (CIO) would report directly to the agency head and carry out the responsibilities under this section and Section 3506(a) of Title 44 of the *United States Code*. The agency head would ensure that the agency's CIO, in consultation with its Chief Financial Officer (CFO) and budget officials, has the capability to perform the responsibilities under Section 3506 of Title 44 of the *United States Code* with regard to the budget planning process. This process relates to IT or programs that include significant IT components; and the acquisition of an IT product or service. All amounts appropriated for an agency for any fiscal year that are available for commodity-related IT, including data centers and networks, program management, and information security, would be allocated within the agency in such manner as may be specified by, or approved by, the CIO of the agency, consistent with budget guidelines and recommendations from the OMB director and in consultation with the agency's CFO and budget officials. (Unnumbered Senate bill)

- Section 753 would have prohibited the use of funds to implement any federal law to allow states and localities to require remote retailers to collect sales and use taxes already owed under current law. (Unnumbered Senate bill)

Cuba Sanctions[240]

H.R. 5016 contained two provisions related to Cuba travel restrictions, whereas the unnumbered Senate bill did not contain such provisions. Ultimately, the House provisions were not included in P.L. 113-235.

As approved by the House, H.R. 5016 included two provisions related to U.S. restrictions on travel to Cuba. Section 126 of the bill would have prevented any funds in the act from being used to approve, license, facilitate, authorize or otherwise allow people-to-people travel. Section 127 would have required a joint report from the Secretary of the Treasury and the Secretary of Homeland Security with information for each fiscal year since FY2007 on the number of travelers visiting close relatives in Cuba; the average duration of these trips; the average amount of U.S. dollars spent per family traveler (including amount of remittances carried to Cuba); the number of return trips per year; and the total sum of U.S. dollars spent collectively by family travelers for each fiscal year. Similar provisions had appeared in the House Appropriations Committee-reported FY2014 Financial Services and General Government Appropriations Act, H.R. 2786, but ultimately were not included in the Consolidated Appropriation Act, 2014 (P.L. 113-76).

The House Committee on Appropriations report on H.R. 5016 contended that the people-to-people category of travel "contravenes the explicit prohibition against tourist activities as provided in section 910(b) of the Trade Sanctions Reform and Export Enhancement Act of 2000 (TSRA)," (22 U.S.C. 7209[b]). The report also maintained that the stated purpose of people-to-people travel—to promote the Cuban people's independence from Cuban authorities—"cannot be accomplished through itineraries that mainly feature interactions with representatives of a dictatorship that actively oppresses the Cuban people, nor can it be accomplished through itineraries that do not require meetings with pro-democracy activists or independent members of Cuban civil society." In contrast, the Obama Administration defended such travel, maintaining that it helps build connections between the Cuban and American people in order to give Cubans the support and tools they need to move forward independent of the government. According to Assistant Secretary of State for Western Hemisphere Affairs Roberta Jacobson, "the Administration's travel, remittance and people-to-people policies are helping Cubans by providing alternative sources of information, taking advantage of emerging opportunities for self-employment and private property, and strengthening civil society."[241]

The Senate subcommittee bill did not include any provisions on Cuba sanctions, although the draft committee report to the bill had language regarding another economic sanction on Cuba. The draft report would have directed the Treasury Department to coordinate with the Departments of Commerce and Agriculture to conduct a review of the extent to which the prohibition on U.S.

[240] This section authored by Mark P. Sullivan. For additional information, see CRS Report R43024, *Cuba: U.S. Policy and Issues for the 113th Congress*, by Mark P. Sullivan, and CRS Report RL31139, *Cuba: U.S. Restrictions on Travel and Remittances*, by Mark P. Sullivan.

[241] Testimony of Roberta S. Jacobson, Assistant Secretary of State for Western Hemisphere Affairs, in U.S. Congress, Senate Committee on Foreign Relations, Subcommittee on Western Hemisphere, Peace Corps and Global Narcotics Affairs, *The Path to Freedom: Countering Repression and Strengthening Civil Society*, 112th Cong., 2nd sess., June 7, 2012; available at http://www.state.gov/p/wha/rls/rm/2012/191935.htm.

private financing or credit for sales of U.S. agricultural commodities negatively affects small U.S. exporters and farmers.

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