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FINANCIAL SERVICES AND GENERAL GOVERNMENT
APPROPRIATIONS BILL, 2011

JULY 29, 2010.—Ordered to be printed

Mr. DURBIN, from the Committee on Appropriations,
submitted the following

REPORT

[To accompany S. 3677]

The Committee on Appropriations reports the bill (S. 3677) making appropriations for financial services and general government for the fiscal year ending September 30, 2011, and for other purposes, reports favorably thereon and recommends that the bill do pass.

Amounts of new budget (obligational) authority for fiscal year 2011

Total of bill as reported to the Senate	\$48,295,857,000
Amount of 2010 appropriations ¹	46,433,993,000
Amount of 2011 budget estimate	48,219,254,000
Bill as recommended to Senate compared to—	
2010 appropriations	+ 1,861,864,000
2011 budget estimate	+ 76,603,000

¹Includes \$125,000,000 in emergency appropriations appropriated in Public Law 111-118, the Department of Defense Appropriations Act, 2010; \$60,000,000 in emergency appropriations appropriated in Public Law 111-144, the Temporary Extension Act of 2010; and \$80,000,000 in emergency appropriations appropriated in Public Law 111-157, the Continuing Extension Act of 2010.

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OVERVIEW AND SUMMARY OF THE BILL

The Financial Services and General Government appropriations bill provides funding for the Department of the Treasury, including the Internal Revenue Service; the Executive Office of the President; the Judiciary; the District of Columbia; and more than two dozen independent Federal agencies.

The Committee recommends \$48,295,857,000 in discretionary and mandatory appropriations. This represents an increase of \$1,861,864,000 over the fiscal year 2010 enacted level, and an increase of \$76,603,000 over the budget request. Of the total, \$25,400,000 is provided in discretionary appropriations consistent with Committee spending guidance, and \$117,751,000 below the budget request of \$25,517,751,000. Mandatory appropriations total \$22,895,857,000.

The Committee-recommended bill is consistent with the approved subcommittee allocation guidance for the Financial Services and General Government appropriations bill. The Committee has made difficult but necessary decisions to craft a bill that is within strict fiscal limitations.

PROJECT FUNDING

Agency	Items in Senate bill at President's request	Congressionally directed spending in Senate bill
Department of the Treasury .....	.....	\$2,400,000
District of Columbia .....	.....	1,000,000
General Services Administration	\$997,532,000	92,000,000
Office of National Drug Control Policy	2,187,500	.....
Small Business Administration .....	.....	28,600,000
Total	999,719,500	124,000,000
Combined Total Project Funding in bill	1,123,719,500	

The Small Business Administration account includes congressionally directed spending totaling \$28,600,000 for 117 projects. The President did not request any specific projects. The Committee includes one congressionally directed spending item for the District of Columbia and one for the Department of the Treasury. Within the funds provided for the General Services Administration, the President requested \$997,532,000, of which \$676,362,000 is for construction of designated Federal buildings and \$321,170,000 is for repair of designated Federal buildings. The Committee includes \$92,000,000 for one Federal building construction project not included in the President's request but which is the top priority of the judiciary. The Committee includes funding for two drug programs within the Office of National Drug Control Policy that were requested by the President.

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2011, for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177), as amended, with respect to appropriations contained in the accompanying bill, the terms “program, project, and activity” [PPA] shall mean any item for which a dollar amount is contained in appropriations acts (including joint resolutions providing continuing appropriations) or accompanying reports of the House and Senate Committees on Appropriations, or accompanying conference reports and joint explanatory statements of the committee of conference.

REPROGRAMMING GUIDELINES

The Committee includes a provision (sec. 608) establishing the authority of agencies to reprogram funds and the limitation on that authority. The provision specifically requires the advance approval of the House and Senate Committees on Appropriations of any proposal to reprogram funds that: (1) creates a new program; (2) eliminates a program, project, or activity [PPA]; (3) increases funds or personnel for any PPA for which funds have been denied or restricted by the Congress; (4) proposes to redirect funds that were directed in such reports for a specific activity to a different purpose; (5) augments an existing PPA in excess of \$5,000,000 or 10 percent, whichever is less; (6) reduces an existing PPA by \$5,000,000 or 10 percent, whichever is less; or (7) creates, reorganizes, or restructures offices different from the congressional budget justifications or the table at the end of the Committee report, whichever is more detailed.

The Committee retains the requirement that each agency submit an operating plan to the House and Senate Committees on Appropriations not later than 60 days after enactment of this act to establish the baseline for application of reprogramming and transfer authorities provided in this act. Specifically, each agency should provide a table for each appropriation with columns displaying the budget request; adjustments made by Congress; adjustments for rescissions, if appropriate; and the fiscal year enacted level. The table shall delineate the appropriation both by object class and by PPA. The report must also identify items of special congressional interest.

The Committee expects the agencies and bureaus to submit reprogramming requests in a timely manner and to provide a thorough explanation of the proposed reallocations, including a detailed justification of increases and reductions and the specific impact the proposed changes will have on the budget request for the following fiscal year. Except in emergency situations, reprogramming requests should be submitted no later than June 30.

The Committee expects each agency to manage its programs and activities within the amounts appropriated by Congress. The Committee reminds agencies that reprogramming requests should be submitted only in the case of an unforeseeable emergency or a situation that could not have been anticipated when formulating the budget request for the current fiscal year. Further, the Committee notes that when a Department or agency submits a reprogramming or transfer request to the Committees on Appropriations and does

not receive identical responses from the House and the Senate, it is the responsibility of the Department to reconcile the House and the Senate differences before proceeding, and if reconciliation is not possible, to consider the request to reprogram funds unapproved.

RELATIONSHIP WITH BUDGET OFFICES

Through the years, the Committee has channeled most of its inquiries and requests for information and assistance through the budget offices of the various departments, agencies, offices, and commissions. The Committee has often pointed to the natural affinity and relationship between the budget offices and the Committee which makes such a relationship workable. The Committee reiterates its longstanding position that while the Committee reserves the right to call upon any office or officer in the departments, agencies, and commissions, the primary conjunction between the Committee and these entities must be through the budget offices. To help ensure the Committee's ability to perform its responsibilities, the Committee insists on having direct, unobstructed, and timely access to the budget offices and expects to be able to receive forthright and complete responses from those offices and their employees.

The Committee has encountered growing difficulties in securing timely agency compliance with mandated reporting requirements and has experienced several situations in which deadlines for submission of reports were disregarded entirely. The Committee expects and directs all agencies from which reports are required to allow sufficient time to secure any necessary internal and external clearances of reports in order to satisfy congressional deadlines. The Committee strongly urges agencies to alert the Committee as far as possible in advance of any expected slippage in meeting a report delivery due date.

CONGRESSIONAL BUDGET JUSTIFICATIONS

Budget justifications are prepared not for the use of the agency, but instead are the primary tool used by the House and Senate Committees on Appropriations to evaluate the resource requirements and fiscal needs of agencies. The Committee is aware that the format and presentation of budget materials is largely left to the agency within presentation objectives set forth by OMB. In fact, OMB Circular A-11, part 6 specifically states that the "agency should consult with your congressional committees beforehand to ensure their awareness of your plans to modify the format of agency budget documents." The Committee expects all the budget justifications to adhere to this directive and provide the data needed to make appropriate and meaningful funding decisions.

The Committee directs that justifications submitted with the fiscal year 2012 budget requests by agencies funded under this act must contain the customary level of detailed data and explanatory statements to support the appropriations requests at the level of detail contained in the funding table included at the end of the report. Among other items, agencies shall provide a detailed discussion of proposed new initiatives, proposed changes in the agency's financial plan from prior year enactment, and detailed data on all

programs and comprehensive information on any office or agency restructurings. At a minimum, each agency must also provide adequate justification for funding and staffing changes for each individual office and materials that compare programs, projects, and activities that are proposed for fiscal year 2012 to the fiscal year 2011 enacted level.

The Committee is aware that the analytical materials required for review by the Committee are unique to each agency in this act. Therefore, the Committee expects that each agency will coordinate with the House and Senate Committees on Appropriations in advance on its planned presentation for its budget justification materials in support of the fiscal year 2012 budget request.

TITLE I
DEPARTMENT OF THE TREASURY
DEPARTMENTAL OFFICES
SALARIES AND EXPENSES
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2010	\$304,888,000
Budget estimate, 2011	346,401,000
Committee recommendation	334,900,000

PROGRAM DESCRIPTION

The Departmental Offices consist of the Office of the Secretary and Deputy Secretary, the Office of International Affairs, the Office of Domestic Finance, the Office of Terrorism and Financial Intelligence, the Office of Tax Policy, the Office of Economic Policy, the Office of the General Counsel, the Office of Legislative Affairs, the Office of Public Affairs, the Office of the Treasurer, and the Office of Management. The Secretary of the Treasury has the primary role in formulating and managing the domestic and international tax and financial policies of the Federal Government. The Secretary's responsibilities funded by the Salaries and Expenses appropriation include: recommending and implementing U.S. domestic and international economic and tax policy; formulating fiscal policy; governing the fiscal operations of the Government; executing the Nation's financial sanction policies; disrupting and dismantling terrorist financial infrastructure; protecting the United States and international financial system from terrorist financing, money laundering, and other financial crimes; managing the public debt; managing international development policy; representing the United States on international monetary, trade and investment issues; overseeing Department of the Treasury overseas operations; and directing the administrative operations of the Department of the Treasury. The majority of the Salaries and Expenses appropriation provides resources for policy formulation and implementation in the areas of domestic and international finance, terrorist financing and financial crimes, tax, economic, trade, financial operations and general fiscal policy. This appropriation also provides resources to support the Secretary, policy components, and departmental administrative policies in financial and personnel management, procurement operations, and information systems and telecommunications.

COMMITTEE RECOMMENDATION

The Committee recommends \$334,900,000 for the Salaries and Expenses appropriation of the Departmental Offices account of the

Department of the Treasury for fiscal year 2011. This amount is \$11,501,000 below the budget request and \$30,012,000 above the fiscal year 2010 enacted level. The funding recommendations are made based on information included in the budget justification. The Committee notes that funds previously provided to this account for “Administration” have been allocated by budget activity as proposed in the budget request. Language is included allowing the Department to transfer up to 4 percent between activities upon notification. Transfers may be made in excess of 4 percent upon approval of the House and Senate Appropriations Committees.

The following table compares the fiscal year 2010 enacted level to the fiscal year 2011 budget estimate and the Committee’s recommendation for each office:

(In thousands of dollars)

	Fiscal year 2010 enacted	Fiscal year 2011 budget estimate	Committee recommendation
Executive direction (including General counsel)	21,983	38,587	35,587
Economic policies and programs	47,249	70,562	68,362
Financial policies and programs	48,580	91,212	84,912
Terrorism and financial intelligence	64,611	102,613	102,613
Treasury-wide management and programs	22,679	43,426	43,426
Administration ¹	99,786	.....	.....
Total, Departmental offices	304,888	346,401	334,900

¹Funds provided in fiscal year 2010 for “Administration” are recommended to be allocated by budget activity in fiscal year 2011 as proposed in the budget request.

Major initiatives funded within recommended levels include increased staffing in order to support the response to the global financial crisis, the increasingly complicated financial markets, and a changing regulatory landscape. Funding will also support additional staff for coordinating efforts to disrupt terrorist and other illicit financing.

The Committee recommends the following increases to the budget request:

National Academy of Sciences Study (Economic Policies and Programs): +\$1,000,000.—The Committee recommends \$1,000,000 for the Department to transfer to the National Academy of Sciences for a study on the long-term economic effects of the aging population in the United States. This demographic shift will impact the Nation’s economic and financial state, affecting individuals, Government programs, such as Social Security and Medicare, and many economic and business sectors, including private mechanisms supporting retirees. The study will provide a basis for identifying potential policy recommendations for addressing the impacts of this demographic change. This funding will be sufficient to complete the study.

Office of Financial Education (Financial Policies and Programs): +\$1,000,000.—The Committee recommends an increase of \$1,000,000 above the budget request for the Office of Financial Education. The Office of Financial Education administers the National Financial Literacy Challenge and develops strategies to combat predatory lending. The Office of Financial Education also coordinates the efforts of the Financial Literacy and Education Commission, a group chaired by the Secretary of the Treasury and composed of representatives from 20 Federal departments, agencies,

and commissions. The Commission works to improve financial literacy and education for people throughout the United States. The recommended increase shall be utilized to enhance financial education efforts, including to support the revision of the national strategy on financial literacy and the development of measurable goals and objectives for the Financial Literacy and Education Commission.

The Committee makes the following findings:

Departmental Responsiveness.—The Committee continues to be dissatisfied with the responsiveness of the Department of the Treasury to questions and requests for information from the Committee. For example, the Department submitted hearing testimony less than 25 hours prior to the commencement of an April 2010 hearing on the foreclosure crisis and less than 24 hours prior to the commencement of a June 2009 hearing on the Federal Government's payment of interchange fees.

The Committee notes that included in the recommended funding level for Departmental Offices for fiscal year 2011 is \$2,274,000 for the Office of Legislative Affairs. The primary responsibility of this office, and the intended purpose of the Committee's recommended funding, is to serve as the principal contact and coordinator for all Departmental interaction with the Congress, including responding to congressional inquiries, facilitating replies from other offices in the Department, monitoring the flow of congressional correspondence to ensure accurate and prompt response, and coordinating Departmental testimony before congressional committees. The Committee directs the Department and the Office of Legislative Affairs to respond promptly and completely to all requests for information from the Committee and also to keep the Committee promptly and fully informed of the status of all requests from the Committee.

Management of the Financial Crisis.—The Committee appreciates the Department's efforts to stabilize the economy during such uncertain economic and financial conditions. The Committee notes that the Treasury Office of Inspector General continues to identify the management of the Treasury's new authorities related to distressed financial markets as a major management challenge facing the Department. Under these programs, the Department has an unprecedented role in managing billions in taxpayer dollars. The Committee directs the Department to ensure that these programs are administered soundly and efficiently in order to minimize risks to the taxpayer. The Committee also directs management to maintain focus on the Treasury's other critical missions—including terrorism and financial intelligence and assistance to community development financial institutions—in addition to management of policies and programs related to stabilizing the economy.

Foreclosure Crisis.—The Committee continues to be concerned that the Department's strategy to reduce mortgage foreclosures and keep American families in their homes has fallen far short of the goal of modifying 3 to 4 million mortgages. The Committee notes that the Department has announced changes to the Home Affordable Modification Program [HAMP] that will provide some relief for unemployed homeowners and provide servicers more incentives to assist homeowners who owe more than their home is worth. In im-

plementing these changes and making future improvements to the program, the Committee directs the Department to focus on how to best induce servicers to consider and implement principal reductions when it is financially beneficial to the borrower and lender. The Committee also directs the Department to ensure mortgage servicers are properly complying with HAMP agreements and to provide ample technical assistance and outreach to properly educate servicers about their responsibilities under the program.

Economic Sanctions and Divestments.—The Committee recommendation includes \$102,613,000 for Terrorism and Financial Intelligence programs. With these funds, the Department will continue to issue and enforce economic and trade sanctions consistent with national security and foreign policy goals. These sanctions are a key tool for asserting U.S. policy toward countries and entities under sanction. The Committee directs the Department to fully implement all sanctions and divestment measures, particularly those applicable to North Korea, Burma, Iran, Sudan, and Zimbabwe. The Committee directs the Department to promptly notify the Committee of any resource constraints that adversely impact the implementation of any sanctions program.

Proceeds of Corruption.—Corrupt politicians, terrorists and those involved in organized crime are often able to hide their identity behind a corporate veil, allowing them to enjoy the proceeds of corruption and bribery, including on U.S. soil. The Committee directs the Department of Treasury to use its rulemaking authority to strengthen customer due diligence requirements for U.S. financial institutions, consistent with applicable statutory authorities and international standards, including by identifying the beneficial owner of corporate vehicles, where appropriate.

The Committee also directs the Department, in consultation with the other members of the United States delegation to the Financial Action Task Force [FATF], to take a leadership role in prioritizing prevention of the illicit flow of corrupt funds, including by strengthening FATF anti-corruption requirements and by conducting an extensive typology exercise on foreign corruption. The typology exercise will inform financial institutions on how to recognize the proceeds of corruption and therefore help prevent the flow of illicit funds into the United States. The Committee also urges the U.S. delegation to work with other member states to assess the implementation of the FATF's 40+9 Recommendations in practice, as well as in law, to ensure that the task force's recommendations are being effectively implemented and enforced by all countries.

The Committee directs the Department to provide a written report to the Committee on Appropriations and the Committee on Banking, Housing, and Urban Affairs within 180 days of enactment on activities related to preventing the flow of proceeds of corruption into the United States, specifically including activities related to identifying the beneficial ownership of corporate vehicles, where appropriate, and participation in FATF activities and initiatives.

Stored Value Cards.—Pursuant to the Credit Card Accountability Responsibility and Disclosure Act of 2009 (Public Law 111-24), the Department was required to issue regulations implementing the Bank Secrecy Act regarding the sale, issuance, redemption, or international transport of stored value, including stored value

cards. The Committee directs the Department to address the issue of international transport of stored value devices, which continues to be a major concern for law enforcement agencies. The Committee directs the Department, in coordination with the Department of Homeland Security, to submit a written report to the Committee on the status of the regulations on the international transportation of stored value devices not later than 90 days after enactment of this act.

Management of Capital Investments and Information Security.—The Treasury Office of Inspector General continues to cite the Department’s management of capital investments and information security as top management challenges. Treasury is currently planning and managing several capital investments, including the transition to a new telecommunications contract, the implementation of enhanced information security requirements, and a modernization of systems supporting the implementation of the Bank Secrecy Act. The Committee recognizes efforts the Department has made to emphasize capital investment management Department-wide.

The Committee directs the Department to continue improving the management of capital investments, specifically focusing on integrating all of the Department’s bureaus into improvement efforts and institutionalizing improvements so that taxpayers will benefit from better management of future capital projects. The Committee notes that section 119 of the bill requires the Secretary of the Treasury to develop an annual Capital Investment Plan, to be submitted to the Committees on Appropriations of the Senate and the House of Representatives within 30 days following submission of the President’s annual budget request. The Committee directs the Office of the Chief Information Officer to ensure that adequate resources are devoted both to projects in the capital phase and to proper maintenance and modernization of existing systems and to ensure that all projects are tracked properly and described completely in the annual Capital Investment Plan.

DEPARTMENT-WIDE SYSTEMS AND CAPITAL INVESTMENTS PROGRAMS
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2010	\$9,544,000
Budget estimate, 2011	22,000,000
Committee recommendation	13,000,000

PROGRAM DESCRIPTION

The 1997 Treasury and General Government Appropriations Act established this account, which is authorized to be used by or on behalf of Treasury bureaus at the Secretary’s discretion to modernize business processes and increase efficiency through technology investments, as well as other activities that involve more than one Treasury bureau or Treasury’s interface with other Government agencies.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$13,000,000 for Department-wide systems and capital investments programs

[DSCIP]. This amount is \$9,000,000 below the budget request and \$3,456,000 above the fiscal year 2010 enacted level.

The following table compares the Committee recommendation with the budget request and the fiscal year 2009 and 2010 enacted levels.

DSCIP Initiative	Fiscal year 2009 enacted	Fiscal year 2010 budget estimate	Fiscal year 2011 budget estimate	Committee recommendation
E-Government Initiatives	\$2,057,000	.....	.....	.....
Enterprise Content Management	6,000,000	.....	\$5,000,000	\$5,000,000
Treasury Secure Data Network	4,400,000	.....	.....	.....
Cyber Security—Information Security	3,000,000	\$3,000,000	.....	.....
Annex Repair and Renovation	11,518,000	4,544,000	.....	.....
Treasury Foreign Intelligence Network .....	.....	2,000,000	.....	.....
Financial Innovation and Transformation .....	.....	.....	17,000,000	8,000,000
Total	26,975,000	9,544,000	22,000,000	13,000,000

The Committee notes that the DSCIP account has been utilized to fund a wide variety of multi-year initiatives. Given the complexity of these initiatives, the bill includes language in section 119 directing the Department of the Treasury to submit an annual Capital Investment Plan to the Committees on Appropriations within 30 days after the President’s budget submission.

The recommendation includes \$8,000,000 for the Financial Innovation and Transformation Program instead of \$17,000,000 included in the budget request. The Committee is supportive of the concept of the program, which the Committee understands is supported by the administration due to its potential to provide Government-wide solutions for processing financial transactions. However, the budget justifications for this program were not sufficiently detailed for the Committee to make a recommendation for the full amount of funding requested. The Committee directs the Department to provide a detailed justification within 60 days of enactment including specific cost estimates for each portion or discrete project within the program. The Committee looks forward to learning more about the Department’s and the administration’s proposals for activities under this program and will make future funding recommendations based on detailed funding estimates.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriations, 2010	\$29,700,000
Budget estimate, 2011	30,269,000
Committee recommendation	33,269,000

PROGRAM DESCRIPTION

As a result of the 1988 amendments to the Inspector General [IG] Act, the Secretary of the Treasury established the Office of Inspector General [OIG] in 1989.

The OIG conducts and supervises audits, evaluations, and investigations designed to: (1) promote economy, efficiency, and effectiveness and prevent fraud, waste, and abuse in departmental programs and operations; and (2) keep the Secretary and Congress fully and currently informed of problems and deficiencies in the administration of departmental programs and operations. The audit

function provides program audit, contract audit, and financial statement audit services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters relative to negotiation, award, administration, repricing, and settlement of contracts. Program audits review and audit all facets of agency operations. Financial statement audits assess whether financial statements fairly present the agency's financial condition and results of operations, the adequacy of accounting controls, and compliance with laws and regulations. These audits contribute significantly to improved financial management by helping Treasury managers identify improvements needed in their accounting and internal control systems. The evaluations function reviews program performance and issues critical to the mission of the Department. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$33,269,000 for salaries and expenses of the Office of Inspector General. This amount is an increase of \$3,000,000 over the budget request and \$3,569,000 above the fiscal year 2010 enacted level. Additional funds are provided to support additional audits and investigations beyond the limited scope supportable within current resources given the Inspector General's increased workload resulting from required reviews of certain bank failures. The Committee directs that the highest priority for such additional audits shall be the Bank Secrecy Act Information Technology Modernization project currently being planned and implemented by Treasury's Financial Crimes Enforcement Network. The Committee directs that the Inspector General shall submit a written report to the Committee regarding this project, including contractor oversight and progress regarding budget and schedule, on March 31, 2011 and semiannually thereafter. In addition, the Committee directs the Inspector General to perform audits on Treasury's anti-money laundering and terrorist financing activities, capital investment spending and planning, the Community Development Financial Institutions Fund, and areas identified by the Inspector General as presenting a high risk to taxpayer-funded spending.

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

SALARIES AND EXPENSES

Appropriations, 2010	\$152,000,000
Budget estimate, 2011	155,452,000
Committee recommendation	155,452,000

PROGRAM DESCRIPTION

The Treasury Inspector General for Tax Administration [TIGTA] was established by the IRS Restructuring and Reform Act of 1998 (Public Law 105-206). TIGTA was created to provide independent audit and investigative services necessary to improve the quality and credibility of oversight of the Internal Revenue Service [IRS]. Funding was first appropriated for this account in the fiscal year

2000 Treasury and General Government Appropriations Act (Public Law 106–58).

TIGTA conducts audits, investigations, and evaluations to assess the operations and programs of the IRS and related entities, the IRS Oversight Board and the Office of Chief Counsel to (1) promote the economic, efficient and effective administration of the Nation's tax laws and to detect and deter fraud and abuse in IRS programs and operations; and (2) recommend actions to resolve fraud and other serious problems, abuses, and deficiencies in these programs and operations, and keep the Secretary and Congress fully and currently informed of these issues and the progress made in resolving them. TIGTA reviews existing and proposed legislation and regulations relating to the programs and operations of the IRS and related entities and makes recommendations concerning the impact of such legislation and regulations on the economy and efficiency in the administration of programs and operations of the IRS and related entities. The audit function provides program audit, limited contract audit, and financial audit services. Program audits review and audit all facets of the IRS and related entities in an effort to improve IRS systems and operations, while ensuring fair and equitable treatment of taxpayers. Contract audits focus on invoices/vouchers submitted to the IRS to determine whether charges are valid and to identify erroneous and improper payments. The investigative function provides for the detection and investigation of improper and illegal activities involving IRS programs and operations and protects the IRS and related entities against external attempts to corrupt or threaten the administration of the tax laws.

During fiscal year 2009, TIGTA's combined audit and investigative efforts recovered, protected, and identified monetary benefits totaling more than \$14,700,000,000. TIGTA's Office of Audit completed 142 reports and its Office of Investigations closed 3,527 investigations. Enactment of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5) spurred the immediate need for increased oversight of economic stimulus funding throughout all levels of government. TIGTA serves a critical role in promoting integrity and efficiency in the use of funds, particularly through its work in scrutinizing the IRS's administration of various tax credits and other economic stimulus provisions in the Recovery Act.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$155,452,000 for the Treasury Inspector General for Tax Administration. This amount is an increase of \$3,452,000 above the fiscal year 2010 enacted level and the same as the budget request. The Committee appreciates the challenges TIGTA faces in adapting its oversight activities to address increasingly complex and high-risk issues associated with IRS operations, including detection and investigation of fraud and electronic crime, review of procurement activities, and safeguarding of taxpayer privacy. The Committee recognizes that growth in the size and workload of the IRS generates concomitant increased work for TIGTA. The Committee expects that the increased funding provided will be devoted to critical oversight of the administration's renewed emphasis on addressing illegal overseas tax evasion and closing tax loopholes so as to make it more profit-

able for companies to create jobs in the United States. In addition, the funding will support TIGTA’s role in coordinated Government-wide activities that identify and review weaknesses and vulnerabilities that expose Federal programs and operations to waste, fraud, abuse, and mismanagement.

The Committee commends TIGTA for its ongoing review of the IRS’s business systems modernization program and other information technology projects. The Committee also acknowledges the critical importance of the priorities TIGTA has identified in its strategic plan, including adapting to the IRS’s continuously evolving operations and mitigating intensified risks associated with modernization, security, addressing the tax gap, and human capital challenges facing the IRS. In addition, TIGTA plays a pivotal role in responding to threats and attacks against IRS employees, property, and sensitive information. Furthermore, the Committee appreciates and expects TIGTA’s vigilance in monitoring IRS efforts to implement the 56 tax provisions of the Recovery Act.

The Committee shares TIGTA’s ongoing concern that the IRS is developing and launching its modernized systems without adequately contemplating the security implications. The Committee urges continued TIGTA oversight of tax gap issues, including data reliability, tax law enforcement, and taxpayer assistance, to ensure that the IRS enhances voluntary compliance by balancing taxpayer services and enforcement without jeopardizing taxpayer rights. The Committee would welcome future TIGTA work to evaluate the IRS’s volunteer and low-income taxpayer assistance programs; study the misclassification of employees as independent contractors and its impact on the tax gap; examine “phishing” schemes and other external and electronic attempts that expose taxpayers to surrendering private information that could be used for identity theft and undermine tax administration; and identify best practices and safeguards to reduce and mitigate threats to the security of IRS employees and its data infrastructure and facilities.

SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM

SALARIES AND EXPENSES

Appropriations, 2010	\$23,300,000
Budget estimate, 2011	49,600,000
Committee recommendation	49,600,000

PROGRAM DESCRIPTION

The Emergency Economic Stabilization Act (Public Law 110–343) established the Office of the Special Inspector General for the Troubled Asset Relief Program [SIGTARP] to perform audits and investigations of the Troubled Asset Relief Program [TARP].

COMMITTEE RECOMMENDATION

The Committee recommends \$49,600,000 for the SIGTARP for fiscal year 2011, equal to the budget request. This amount is \$26,300,000 above the fiscal year 2010 enacted level, which funded only the latter portion of that fiscal year. The Committee is pleased with the quality of the audits and investigations conducted by the

SIGTARP, particularly with regard to written materials provided to the Congress and public.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

Appropriations, 2010	\$111,010,000
Budget estimate, 2011	100,419,000
Committee recommendation	121,669,000

PROGRAM DESCRIPTION

The Financial Crimes Enforcement Network [FinCEN], a bureau within the Treasury Department's Office of Terrorism and Financial Intelligence, is the largest overt collector of financial intelligence in the United States. FinCEN's mission is to safeguard the financial system from the abuses of financial crime, including terrorist financing, money laundering, and other illicit activity. FinCEN accomplishes its mission by administering the Bank Secrecy Act, a collection of statutes that form the Nation's anti-money laundering/counter-terrorist financing regulatory regime. As the delegated administrator of the Bank Secrecy Act, FinCEN is responsible for the development and implementation of regulations, rules, and guidance issued under the Bank Secrecy Act. FinCEN also oversees the work of eight Federal agencies that have been delegated responsibility to examine various sectors of the financial industry for compliance with the Bank Secrecy Act's requirements. FinCEN is responsible for collecting, maintaining, and disseminating the information reported by financial institutions under the Bank Secrecy Act through a Government-wide access service. FinCEN is the United States' Financial Intelligence Unit [FIU] and a founding member of the Egmont Group of Financial Intelligence Units. As the United States' FIU, FinCEN routinely shares information and cooperates with other FIUs around the world to address the global problems of terrorist financing, money laundering, and other illicit activity.

COMMITTEE RECOMMENDATION

The Committee recommends \$121,669,000 for the Financial Crimes Enforcement Network [FinCEN]. This amount is \$10,659,000 above the fiscal year 2010 enacted level and \$21,250,000 above the budget request. The Committee rejects the proposal to fund a portion of the Bank Secrecy Act Information Technology Modernization project using proceeds from the Treasury Forfeiture Fund. Of the amount recommended above the request, \$19,750,000 reflects the Committee's recommendation to fund the project exclusively through the account designated for FinCEN Salaries and Expenses.

The Committee recommends an increase of \$1,500,000 above the budget request to enhance efforts to fight fraud and illicit financing by expanding FinCEN's analytical support to the network of more than 300 law enforcement and regulatory authorities comprised of Federal, State, and local agencies, United States Attorneys offices, State attorneys general, and local district attorneys.

Information Technology Modernization.—The Committee recommends a total of \$45,835,000 to support FinCEN’s efforts to modernize the technical environment for implementation of the Bank Secrecy Act [BSA] in accordance with the estimate provided for that project for fiscal year 2011. The modernization will re-engineer the BSA data architecture, update antiquated infrastructure required to support data capture and dissemination, implement innovative Web services and enhanced electronic filing, and provide enhanced analytical tools. This system is used by banks, Federal law enforcement, State and local law enforcement, and other Federal intelligence agencies to report, gather, and analyze data to identify money laundering, terrorist financing, tax evasion, and vulnerabilities in the financial industry. The current infrastructure is outdated and limits the capabilities of these users, which ultimately limits the capability of the Treasury and its partners to pursue money laundering, terrorist financing, and tax evasion.

The Committee is pleased with the steps FinCEN has taken to strengthen its acquisition and project management competencies and directs the agency to continue to pursue employee education and training efforts in this area, including training on proper budget execution practices. The Committee also directs FinCEN to place a top priority on contractor oversight and on involving its wide variety of stakeholders in the development of the modernized system. FinCEN is directed to submit a semiannual report to the Committee on Appropriations summarizing the agency’s progress regarding the modernization effort, including milestones planned and achieved, progress on cost and schedule, management of contractor oversight, strategies to involve stakeholders, and acquisition management efforts.

The Committee also directs FinCEN to focus efforts on improving the completeness and reliability of BSA data in accordance with recommendations by the Treasury Inspector General and the Government Accountability Office. The Committee notes that while a new BSA infrastructure will improve the capabilities of processing and analyzing BSA data, the accuracy, reliability, and timeliness of the data itself will ultimately determine the effectiveness of the system and related processes.

TREASURY FORFEITURE FUND

(RESCISSION)

The Committee recommends a rescission of \$81,750,000 of unobligated balances in the Treasury Forfeiture Fund.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

Appropriations, 2010	\$244,132,000
Budget estimate, 2011	235,253,000
Committee recommendation	235,253,000

PROGRAM DESCRIPTION

In 1940, the Department of the Treasury established the Fiscal Service, which consisted of the Bureau of Accounts, the Bureau of

the Public Debt, and the Office of the Treasurer. A 1974 reorganization of the Fiscal Service created the Bureau of Government Financial Operations, which was formed from a merger of the Bureau of Accounts and most functions of the Office of the Treasurer. In 1984, the Bureau of Government Financial Operations was renamed the Financial Management Service [FMS].

FMS implements payment policy and procedures for Federal agencies, issues and distributes payments, promotes the use of electronics in the payment process, and assists agencies in converting payments from paper checks to electronic funds transfer [EFT]. FMS provides debt collection operational services to client agencies, implements collections policy, regulations, standards, and procedures for the Federal Government, and assists agencies in converting collections from paper to electronic media.

FMS provides financial accounting, reporting, and financing services to the Federal Government and the Government's agents who participate in the payments and collections process by generating a series of daily, monthly, quarterly, and annual Government-wide reports. FMS also works directly with agencies to help reconcile reporting differences.

COMMITTEE RECOMMENDATION

The Committee recommends \$235,253,000 for salaries and expenses for FMS. This amount is the same as the budget request and \$8,879,000 below the fiscal year 2010 enacted level. An additional amount of \$80,036,000 is also estimated to be available to FMS from reimbursable resources for debt collection activities.

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

SALARIES AND EXPENSES

Appropriations, 2010	\$103,000,000
Budget estimate, 2011	106,168,000
Committee recommendation	101,000,000

PROGRAM DESCRIPTION

The Homeland Security Act created the Alcohol and Tobacco Tax and Trade Bureau [TTB] within the Department of the Treasury and charged TTB with collecting revenue and protecting the public.

TTB enforces certain Federal laws and regulations relating to alcohol and tobacco. TTB works directly and in cooperation with others to maintain a sound revenue management and collection system that continues to reduce the regulatory burden, improve service, collect the revenue due, and prevent tax evasion and other criminal conduct. TTB is also responsible for preventing consumer deception, ensuring that regulated products comply with Federal commodity, safety, and distribution requirements, and providing customer service.

COMMITTEE RECOMMENDATION

The Committee recommends \$101,000,000 for TTB for fiscal year 2011. This amount is \$5,168,000 below the budget request and \$2,000,000 below the fiscal year 2010 enacted level. The Committee does not recommend, for the second year in a row, assessing fees

on producers, distributors, and retailers of alcohol in order to offset TTB's operating costs, as proposed in the budget. The recommended funding level for TTB is decreased by the cost assumed in the budget for implementing the proposed collections.

The Committee reminds the Department of Treasury and TTB that the fiscal year 2010 enacted level included \$3,000,000, to remain available until September 30, 2011, for hiring, training, and equipping of special law enforcement agents to target tobacco smuggling and other criminal diversion activities. The Committee directs the Department and TTB to place a high priority on hiring these positions and conducting robust criminal enforcement activities at TTB.

UNITED STATES MINT

UNITED STATES MINT PUBLIC ENTERPRISE FUND

PROGRAM DESCRIPTION

The United States Mint manufactures coins, sells numismatic and investment products, and provides for security and asset protection. Public Law 104-52 established the U.S. Mint Public Enterprise Fund (the Fund). The Fund encompasses the previous Salaries and Expenses, Coinage Profit Fund, Coinage Metal Fund, and the Numismatic Public Enterprise Fund. The Mint submits annual audited business-type financial statements to the Secretary of the Treasury and to Congress in support of the operations of the revolving fund.

The operations of the Mint are divided into two major activities: Manufacturing and sales (including circulating coinage and numismatic and investment products); and protection. The Mint is credited with receipts from its circulating coinage operations, equal to the full cost of producing and distributing coins that are put into circulation, including depreciation of the Mint's plant and equipment on the basis of current replacement value. Those receipts pay for the costs of the Mint's operations, which include the costs of production and distribution. The difference between the face value of the coins and these costs is a profit, which is deposited as seigniorage to the general fund. In fiscal year 2009, the Mint transferred \$475,000,000 to the general fund. Any seigniorage used to finance the Mint's capital acquisitions is recorded as budget authority in the year that funds are obligated for this purpose and as receipts over the life of the asset.

COMMITTEE RECOMMENDATION

The Committee recommends a spending level of \$25,000,000 for circulating coinage and protective service capital investments for the Mint. This amount is a decrease of \$1,700,000 below the fiscal year 2010 enacted level and is equal to the budget request.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

Appropriations, 2010	\$182,244,000
Budget estimate, 2011	175,985,000
Committee recommendation	175,985,000

PROGRAM DESCRIPTION

The Public Debt Service was formed in 1919 with the appointment of the first Commissioner of the Public Debt. The Public Debt Service took general charge of debt operations including debt accounting and securities issue and retirement, which had been conducted by several independent divisions within the Treasury. Acting under the authorization of the Reorganization Act of 1939, the President created the Bureau of the Public Debt, which was established as part of the Fiscal Service in the Department of the Treasury effective June 30, 1940 (31 U.S.C. 306). In 1993, the Savings Bonds Division, a separate organization, was made part of the Bureau.

This appropriation provides funds for the conduct of all public debt operations and the promotion of the sale of U.S. savings-type securities.

COMMITTEE RECOMMENDATION

The Committee recommends \$175,985,000 for the Bureau of the Public Debt for fiscal year 2011. This amount is a decrease of \$6,259,000 below the fiscal year 2010 enacted level and is equal to the budget request.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT

Appropriations, 2010	\$246,750,000
Budget estimate, 2011	250,000,000
Committee recommendation	302,400,000

PROGRAM DESCRIPTION

The Community Development Financial Institutions Fund makes investments in the form of grants, loans, equity investments, deposits, and technical assistance grants to new and existing community development financial institutions [CDFIs] through the CDFI program. CDFIs include community development banks, credit unions, venture capital funds, revolving loan funds, and microloan funds, among others. Recipient institutions engage in lending and investment for affordable housing, small business, and community development within underserved communities. The CDFI Fund administers the Bank Enterprise Award [BEA] Program, which provides a financial incentive to insured depository institutions to undertake community development financing activities. The CDFI Fund also administers the New Markets Tax Credit Program, a program that provides an incentive to investors in the form of a tax credit, which is expected to stimulate private community and economic development activities.

COMMITTEE RECOMMENDATION

The Committee recommends \$302,400,000 for the CDFI Fund, which is \$55,650,000 above the fiscal year 2010 enacted level and \$52,400,000 above the budget request.

Bank on USA.—The Committee recommends \$52,400,000 for the Bank on USA program to promote access to affordable financial services and basic consumer credit products for households without access to such products and services. These households face a number of problems, including high fees for alternative financial services such as check-cashing, barriers to saving and building credit, and increased exposure to risks such as fraud and theft. Many of these households also lack access to reasonably priced short-term consumer credit to meet emergency or regular needs, often turning to payday loans, refund anticipation loans, pawn shops and other high-priced alternatives for credit needs. Of funding recommended for the Bank on USA program, \$2,400,000 is provided for an eligible entity or entities located in Hawaii. The Committee directs the CDFI Fund to submit a detailed spending plan on the Bank on USA program to the Committee within 120 days of enactment.

Healthy Food Financing Initiative.—The Committee recommends \$25,000,000 for the Healthy Food Financing Initiative. The goal of the initiative is to increase the availability of affordable, healthy foods in underserved urban and rural communities. Currently, many of these communities are only served by fast food restaurants and convenience stores that offer few healthy food options. Recommended funding will increase the availability of affordable financing for grocery store development, supplies and equipment to improve food production technology, and improvements and modernization of food distribution mechanisms and infrastructure.

Small Dollar Loan Program.—The Committee recommends \$7,500,000 for grants to qualified CDFIs for the purpose of building sufficient capital to support loans of \$2,500 or less pursuant to section 1206 of Public Law 111–203. Such “small dollar loans” will provide consumers access to mainstream financial institutions and alternatives to payday loans and other predatory lending.

Native Programs.—The Committee recommends a set-aside of \$12,000,000 for grants, loans, and technical assistance and training programs to benefit Native American, Alaskan Natives, and Native Hawaiian communities in the coordination of development strategies, increased access to equity investments, and loans for development activities.

The Committee understands that many CDFIs are experiencing difficulty obtaining non-Federal funding due to the economic downturn. The Committee recommends continuing the temporary waiver of matching fund requirements for CDFI programs so that CDFIs can continue to invest in and assist underserved communities during the economic crisis. The Committee intends to reinstate matching fund requirements when capital markets return to normal function.

The Department is directed to fund the Bank Enterprise Award program at a level of \$25,000,000.

BUREAU OF ENGRAVING AND PRINTING

PROGRAM DESCRIPTION

The Bureau of Engraving and Printing [BEP] has been the sole manufacturer of U.S. paper currency for almost 150 years. The origin of the BEP is traced to an act of Congress passed on February

25, 1862, 12 Stat. 345, authorizing the Secretary of the Treasury to issue a new currency—United States notes. While this law was the cornerstone authority for the operations of the engraving and printing division of the Treasury for many years, it was not until an Act of June 20, 1874, 18 Stat. 100, that the Congress first referred to this division as the “Bureau of Engraving and Printing.” The Bureau’s status as a distinct bureau within the Department of the Treasury was solidified by section 1 of the Act of June 4, 1897, 30 Stat. 18, which placed all of the business of the BEP under the immediate control of a director, subject to the direction of the Secretary of the Treasury. The 1897 law is now codified in 31 U.S.C. 303.

The BEP designs, manufactures, and supplies Federal Reserve notes and other security documents issued by the Federal Government.

The operations of the BEP are currently financed by means of a revolving fund established in accordance with the provisions of Public Law 656, August 4, 1950 (31 U.S.C. 181), which requires the BEP to be reimbursed by customer agencies for all costs of manufacturing products and services performed. The BEP is also authorized to assess amounts to acquire capital equipment and provide for working capital needs.

No direct appropriation is required to cover the activities of the BEP.

INTERNAL REVENUE SERVICE

PROGRAM DESCRIPTION

The Internal Revenue Service [IRS] administers the Nation’s tax laws and collects the revenue that funds over 96 percent of the Federal Government’s operations and public services. The IRS’s mission is to provide taxpayers with quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all. The IRS focuses its enforcement programs toward increasing voluntary tax compliance by deterring taxpayers inclined to evade their tax obligations while vigorously pursuing those who violate the law. Each year, IRS employees deal directly with more American taxpayers than any other institution, public or private.

During fiscal year 2009, the IRS processed more than 236 million returns, provided nearly 127 million refunds, and collected over \$2,300,000,000,000 for the Federal Government. Of the 144 million individual income tax returns processed, 66 percent were filed electronically. This marks a significant increase in electronically filed returns compared to the 31 percent in fiscal year 2001. The IRS provided taxpayer assistance through over 296 million visits to the IRS.gov Web site and through nearly 68 million telephone calls. The IRS employed a total work force of 105,814, including seasonal and part-time employees. In fiscal year 2009, the average cost of collecting \$100 in tax revenue was 50 cents. An important focus for the IRS in recent years has been to undertake a major modernization of its systems, including expanding its Internet services, and business operations to better serve taxpayers and enforce the law.

COMMITTEE RECOMMENDATION

The Committee recommends \$12,508,243,000 for the Internal Revenue Service for fiscal year 2011. This is an increase of \$362,120,000 above the fiscal year 2010 enacted level and \$125,027,000 below the budget request. The Committee supports the requested additional funding, and expects the IRS to devote these resources to reducing the tax gap by investing in a strong compliance program and initiatives to address international tax evasion, as well as needed upgrades to IRS information technology systems to streamline tax administration, protect taxpayer information, and replace aging infrastructure.

Tax Gap.—The vast majority of Americans pay their fair share of taxes, yet there is still a “tax gap.” The tax gap is the difference between what taxpayers are supposed to pay and what they actually do pay. In its update of the results of a 3-year study, the IRS found that for tax year 2001, about 84 percent of owed taxes were paid voluntarily and timely. However, a significant number of taxpayers do not comply with the Tax Code resulting in an estimated gross tax gap of \$345,000,000,000. The IRS estimates that after enforcement and other late payments are factored into the gross tax gap, the net tax gap is about \$290,000,000,000. The most current estimate of the tax gap remains largely unchanged from the IRS’s initial update conducted in 2006, and has remained relatively stable for the past three decades based on previous IRS studies. The accuracy of the tax gap, however, is uncertain given the use of outdated and incomplete information and questionable methodology. Some experts, including the GAO and TIGTA, believe that the tax gap may actually be higher than estimated by the IRS. The Committee strongly believes that the IRS can and must reduce the tax gap if the IRS is given additional resources and is able to improve its operational capabilities (most notably through the Business Systems Modernization program).

To reduce the tax gap, experts recommend a number of approaches. These include: improving information reporting, improving taxpayer services, increasing research on noncompliance, improving the partnership between the IRS and the tax administration community, and leveraging technology to improve IRS’s systems. The Committee supports all of these approaches in combination.

The Committee remains concerned that absent a better understanding of the current sources of noncompliance, efforts to improve compliance may be hampered, misdirected, and difficult to measure. To gain meaningful insights into taxpayer behavior, the Committee strongly supports the work of the National Research Program.

Operating Plan and Notification.—In addition to the normal operating plan requirements detailed in the introduction in this report, the Committee directs the IRS to include details on any planned reorganization, job reductions or increases to offices or activities within the agency, and modifications to any service or enforcement activity. The Committee also directs the IRS to obtain and include comments of the IRS Oversight Board as part of its operating plan submission to the Committee. Further, the IRS should

promptly notify the Committee and the IRS Oversight Board of any substantial changes to these plans.

The Committee remains concerned about any efforts to reduce specific taxpayer services, including face-to-face services. Therefore, the Committee directs that if the IRS proposes reductions in taxpayer services, such reductions must be consistent with the budget justification, operating plan, and Taxpayer Assistance Blueprint, and the IRS must demonstrate that such reductions will not result in a decline in voluntary compliance. Where such reductions involve a reduction in face-to-face service, the IRS must demonstrate that the proposed reductions do not adversely impact compliance by taxpayers who are dependent on such services, by showing, through such means as a successful pilot program, survey, or other empirical study, that there is an effective and viable service alternative available.

IRS Staffing Plans.—The Committee continues to support adequate staffing levels for effective tax administration and supports the staffing plans for the IRS facilities in the communities of Martinsburg and Beckley, West Virginia. Therefore, the Committee urges the IRS, within the constraints of the fiscal year 2011 funding levels, to make no staffing reductions at the Martinsburg National Computing Center and the programmed level at the Finance Center in Beckley, West Virginia. Further, the Committee directs the IRS to provide an annual report to the Committee on its efforts to protect and increase staffing levels at the Martinsburg and Beckley IRS facilities.

Taxpayer Services in Alaska and Hawaii.—Given the remote distance of Alaska and Hawaii from the U.S. mainland and the difficulty experienced by Alaska and Hawaii taxpayers in receiving needed tax assistance by the national toll-free line, it is imperative that the Taxpayer Advocate Service Centers in these States are fully staffed and capable of resolving taxpayer problems of the most complex nature. The Committee directs the IRS to continue to staff each Taxpayer Advocate Service Center in each of these States with a Collection Technical Advisor and an Examination Technical Advisor in addition to the current complement of office staff. Staffing should be increased if, as the result of the IRS Restructuring and Reform Act of 1998, subsequent legislation, or other factors, the volume of cases or their complexity increases.

TAXPAYER SERVICES

Appropriations, 2010	\$2,278,830,000
Budget estimate, 2011	2,321,975,000
Committee recommendation	2,331,468,000

PROGRAM DESCRIPTION

The Taxpayer Services appropriation provides for taxpayer services, including forms and publications; processing tax returns and related documents; filing and account services; taxpayer advocacy services; and assisting taxpayers to understand their tax obligations, correctly file their returns, and pay taxes due in a timely manner.

COMMITTEE RECOMMENDATION

The Committee recommends \$2,331,468,000 for Taxpayer Services, which is \$52,638,000 above the fiscal year 2010 enacted level, and \$9,493,000 above the budget request. Bill language is included providing not less than \$6,100,000 for the tax counseling for the elderly program, not less than \$10,000,000 for low-income taxpayer clinic [LITC] grants, not less than \$14,000,000, to be available for 2 years, for a community volunteer income tax assistance [VITA] matching grant program for tax return preparation assistance and \$212,888,178 for the Taxpayer Advocate Service.

The Committee supports the program increases of \$45,900,000, comprised of the planned \$25,000,000 initiative to improve www.IRS.gov and the planned \$20,900,000 initiative to raise the level of service on IRS toll-free telephones. The Committee does not support decreasing funding that would roll back services to low income taxpayers served by the VITA and LITC grant programs or the activities of the Taxpayer Advocate Service to assist taxpayers in resolving tax filing and compliance issues.

The Committee strongly believes that “Service + Enforcement = Compliance” and that, as outlined in the IRS Strategic Plan 2009–2013, the IRS must improve service to make voluntary compliance easier.

The Committee recognizes the significant service challenges the IRS faces as a result of new tax law provisions designed to assist taxpayers in difficult economic times. These provisions required rapid implementation, including a series of first-time home-buyers tax credits, Making Work Pay credits, and a recovery rebate credit relating to the Economic Stimulus Act of 2008. As a result, telephone call volume to the IRS remained high, and the level of service on the IRS’ toll-free telephone lines in fiscal year 2009 was 70 percent. This service level was a significant improvement over the previous year’s 53 percent, but far below the annual levels achieved during fiscal years 2003 through 2007, when service levels ranged between 82 and 87 percent. The Committee notes that the IRS launched several efforts to help increase the telephone service levels for the 2010 filing season, including increasing the number of assistors available during the fiscal year, establishing six applications to handle Recovery Act call volume, and developing a Web-based application for taxpayers who needed confirmation of their prior year adjusted gross income or personal identification number.

The Committee acknowledges the tremendous resource challenges facing the IRS in sustaining efficient and effective core taxpayer service delivery in the face of expanded new responsibilities for administering an increasing number of social benefit programs. The Committee appreciates the concerns detailed in the June 2010 report to Congress of the National Taxpayer Advocate and reiterates the Committee’s long-held belief that reliable investments in pre-filing taxpayer assistance programs as well as outreach and education initiatives that decipher complex rules and complicated material will help drive tax compliance.

Impact on IRS of Healthcare Implementation.—As a prime example of the expanding tasks tied to legislative enactments, the Patient Protection and Affordable Care Act (Public Law 111–148) in-

cludes several provisions that could significantly impact the IRS over the course of the next several years. IRS's new responsibilities include implementing a Medicare payroll tax on investment income, collecting an excise tax on high-cost insurance plans, and delivering hundreds of billions in subsidies for low-income Americans to buy insurance.

The IRS potentially faces the challenge of responding by shifting resources and altering established plans. The IRS may need to recruit new and different professional skill sets to match the nature of the work. According to the Congressional Budget Office [CBO], costs to the IRS of implementing the eligibility determination, documentation, and verification processes for premium and cost-sharing credits could total between \$5,000,000,000 and \$10,000,000,000 over 10 years.

The Committee strongly urges the administration, the Secretary of the Treasury, and the IRS Commissioner to evaluate the impact of healthcare mandates on the IRS's overall mission and take all appropriate actions to prevent any decline in the quality and effectiveness of service or taxpayer perception. The Committee directs the IRS to specifically identify in its fiscal year 2012 budget submission and operating plan any proposed increases in spending to be designated to implement the healthcare mandates, as well as any proposed changes in spending or prioritization in other mission-critical IRS programs as a result of the healthcare responsibilities.

Taxpayer Assistance Blueprint.—In response to the Committee's directive in the fiscal year 2006 Treasury Appropriations Act, the IRS, in consultation with the IRS Oversight Board and the National Taxpayer Advocate, developed a "Taxpayer Assistance Blueprint" to institute a 5-year strategic plan for taxpayer services. The Committee expects the Taxpayer Assistance Blueprint to be an integral and guiding component of delivering services. The Committee supports ongoing efforts to conduct research on taxpayer needs and taxpayer service performance.

The Committee directs the IRS, the IRS Oversight Board, and the National Taxpayer Advocate to submit to Congress annual updates to the Taxpayer Assistance Blueprint identifying any changes to its strategic plan for taxpayer service, including the results of any new research and relevant findings, and any open issues requiring additional research.

E-Filing.—The Committee is heartened by the IRS's improved performance in increasing the number of tax filers who submit their returns electronically and without additional cost. Electronic filing benefits taxpayers and promotes effective tax administration because it decreases processing errors, expedites processing and payment of refunds, and allows the IRS to efficiently maintain up-to-date records. A total of 144 million individual tax returns were filed electronically during the 2009 filing season, representing more than 66 percent of all returns. The Committee directs the IRS, in consultation with stakeholders, including the National Taxpayer Advocate, to implement a strategy to achieve an 80 percent e-file goal.

The Committee believes that the IRS will deliver better taxpayer service, achieve improved compliance, and reduce the tax gap if

taxpayer behavior is better understood and applied research is integrated into the development of taxpayer service and enforcement initiatives. Toward that end, the Committee supports the work of the National Taxpayer Advocate and the IRS Office of Research to examine factors that influence taxpayer compliance behavior, including how and the extent to which various factors influence such behavior, and how the establishment of a cognitive learning and applied research laboratory might facilitate continued evaluation.

Community Volunteer Income Tax Assistance.—The Volunteer Income Tax Assistance [VITA] program is an important aspect of IRS efforts to provide income tax preparation assistance programs for low-income taxpayers. The Committee provides that, within funds provided, \$14,000,000 shall be available for 2 years for exclusive use as part of continuing a matching grant program established and administered by the IRS, in consultation with the Taxpayer Advocate Service, for not for profit organizations which provide volunteer income tax return preparation services for lower income individual taxpayers.

The Committee notes that in 2009, 111 organizations were awarded VITA grants, representing more than 350 unique local partnerships and coalitions. The IRS estimates that more than 2,500 VITA sites will benefit from this initiative, including 522 new locations. The Committee recognizes that the applications for these grants far exceed the available resources.

This program shall provide direct funds to enable VITA programs to extend services to underserved populations and hardest-to-reach areas, both urban and nonurban, as well as to increase the capacity to file returns electronically, heighten quality control, enhance training of volunteers, and significantly improve the accuracy rate of returns prepared by VITA sites. The Committee reinforces its expectation that the IRS should employ an equitable selection methodology which takes into account geographic diversity, and include an evaluation component to measure the overall effectiveness of the program and the results achieved. The Committee strongly urges the IRS to make every effort to expand the quantity and funding level of VITA grants focused on serving persons with disabilities proportional to the growing disability population requiring tax assistance.

The Committee understands that entities that are currently increasing their outreach efforts to better serve the needs of the disability population have experienced difficulty in applying for Federal grant assistance due to a lack of resources at the local level needed to complete the application. The Committee urges the IRS to allow national coalitions responsible for the coordination of local community partnerships focused specifically on the expanded provision of tax services for individuals with disabilities to compete in future VITA community matching grant processes.

The IRS is not permitted to treat any in-kind contributions from the IRS as counting toward the \$14,000,000 appropriation nor shall the IRS reduce any current contributions toward tax return preparation services.

Oversight of First Time Homebuyer Tax Credit.—Congress has enacted a series of legislative provisions that have enabled first-time homebuyers to claim a refundable credit on their 2008, 2009,

or 2010 individual Federal tax returns. According to the IRS, 1.8 million taxpayers received \$12,600,000 in homebuyer credits through the end of February 2010. The Committee acknowledges that the IRS has taken steps, including installing filters to intercept fraud, to improve its oversight of the program, since a TIGTA report issued in September 2009 identified deficiencies. However, a new TIGTA report issued in June 2010 found a significant and disturbing level of fraudulent and erroneous payments in the First-Time Homebuyer Credit Program. Specifically, TIGTA estimates that 14,132 individuals received erroneous credits totaling at least \$26,700,000. These erroneous credits included taxpayers receiving credits purchased prior to the dates allowed by law; prisoners, including some serving life sentences, receiving credits for homes purchased at a time when they were incarcerated; and taxpayers receiving credits for homes that were also used by other taxpayers to claim the credit. The Committee directs the IRS to intensify its scrutiny of questionable claims for this credit to reduce the incidence of fraud and erroneous payments under this beneficial program.

ENFORCEMENT

Appropriations, 2010	\$5,504,000,000
Budget estimate, 2011	5,797,400,000
Committee recommendation	5,682,880,000

PROGRAM DESCRIPTION

The Enforcement appropriation provides for the examination of tax returns, both domestic and international; the administrative and judicial settlement of taxpayer appeals of examination findings; technical rulings; monitoring employee pension plans; determining qualifications of organizations seeking tax-exempt status; examining tax returns of exempt organizations; enforcing statutes relating to detection and investigation of criminal violations of the internal revenue laws; identifying underreporting of tax obligations; securing unfiled tax returns; and collecting unpaid accounts.

COMMITTEE RECOMMENDATION

The Committee recommends \$5,682,880,000 for enforcement activities for fiscal year 2011. This amount is \$178,880,000 above the fiscal year 2010 enacted level and \$114,520,000 below the budget request. Bill language is included to transfer not less than \$60,257,000 to the Interagency Crime and Drug Enforcement [ICDE] program and to transfer up to \$10,000,000 from the Enforcement account to the Operations Support account to support the ICDE program.

The Committee supports the use and prioritization of enforcement resources to address business and individual international tax compliance by building upon steady multi-year investments in initiatives and activities to reduce offshore tax evasion, increasing coverage of the most strategically important international issues, including complex enterprise structures and transactions, and promoting compliance in high-wealth individuals and large enterprises, including those with international components, operated by businesses and investors through multiple interrelated financial

and tax entities. The Committee further endorses proposals to reduce the reporting compliance tax gap through increased examinations of business and high-income individual returns, increased coverage of the Automated Underreporter [AUR] Program, and increased audits involving flow-through entities.

The IRS has projected a substantial return on investment of 9.3 to 1 to be realized over the next 3 years from enforcement initiatives proposed for fiscal year 2011. The Committee shares the concerns outlined by the Government Accountability Office [GAO] that the IRS needs to be prepared to monitor, document, and report on the extent to which the projected revenue forecasts actually yield the intended results. The Committee strongly believes that evaluating what occurs as a result of these targeted investments would be a helpful indicator of success and useful in making future spending decisions and resource allocation plans. The Committee directs the IRS to provide the Committees on Appropriations with detailed information about the actual costs, revenues, and return on investment after the first and successive years of the implementation of the new enforcement initiatives.

National Research Program.—As noted previously, the Committee strongly supports the work of the National Research Program [NRP] to increase understanding of the tax gap. The Committee acknowledges that the IRS and others have expressed concerns with the certainty of the overall tax gap estimate in part because some aspects of the estimate rely on data from the 1970s and 1980s and in other areas, no estimates are available. The Committee agrees with GAO, TIGTA, the National Taxpayer Advocate, and the IRS Oversight Board, which have all recommended greater and more frequent data collection and studies of the tax gap including the portion of the tax gap attributable to international transactions.

Misclassification of Contractors.—The Committee continues to be highly concerned with the misclassification of workers as independent contractors rather than as employees. This misclassification leads to the underreporting and underpayment of employment and payroll taxes by employers and individuals, which accounts for a substantial portion of the gross tax gap. The Committee notes that a TIGTA report issued in 2009 recommended that IRS develop an agency-wide employment tax program to specifically address the issue of worker misclassification to improve coordination among the business divisions, improve compliance, and reduce the tax gap. The Committee is encouraged by IRS actions to develop such a plan and a worker classification team to assist external stakeholders. TIGTA further recommended a formal research effort to study worker classification and other employment tax issues, including the safe harbor provision. The Committee understands that IRS has begun the random sampling selection to undertake such a study. The Committee looks forward to the findings once the 3 years of examinations are complete.

The Committee is concerned that staffing within the IRS's SS-8 program, responsible for making determinations as to a worker's Federal employment tax status, has not kept pace with the record and sustained SS-8 filings during the past three filing seasons. The Committee believes that the IRS SS-8 program is critical to

ensuring that workers are classified correctly, identifying leads for employment tax exams and criminal investigations, and combating the underreporting of employment taxes that contributes significantly to the tax gap. The Committee believes it is crucial, given the growing workload, that the IRS maintain sufficient staffing at SS-8 processing locations. Prior to making any staffing reductions at the SS-8 processing locations, the Committee directs the IRS to provide a report to the Committee that details the past 5 years of staffing levels and employee productivity, SS-8 receipt volumes, and rationale for the proposed workforce changes.

OPERATIONS SUPPORT

Appropriations, 2010	\$4,083,884,000
Budget estimate, 2011	4,108,000,000
Committee recommendation	4,088,000,000

PROGRAM DESCRIPTION

The Operations Support appropriation provides for overall planning and direction of the IRS including shared service support related to facilities services, rent payments, printing, postage, and security; other support functions that are considered overhead but essential to the successful operation of IRS programs including resources for headquarters management activities, including IRS-wide support for strategic planning, communications and liaison, finance, human resources, EEO and diversity; research and statistics of income; and necessary expenses for information systems and telecommunication support, including developmental information systems and operational information systems.

COMMITTEE RECOMMENDATION

The Committee recommends \$4,088,000,000 for Operations Support for fiscal year 2011. This amount is \$4,116,000 above the fiscal year 2010 enacted level and \$20,000,000 below the budget request. Bill language is included allowing up to \$75,000,000 of these funds to remain available until September 30, 2012, for information technology support and not to exceed \$1,000,000 to remain available until September 30, 2013, for research; not less than \$2,000,000 for the Internal Revenue Oversight Board; and \$25,000 for official reception and representation expenses.

Information Technology [IT] Management and Oversight.—The IRS has made significant strides in improving the management and oversight of its business systems modernization [BSM] program. The IRS needs to vigilantly address major systemic problems with its non-BSM portfolio of information technology projects. TIGTA has identified problems in several areas of IT management and oversight including, but not limited to, such areas as classification of investment projects, oversight and governance structure, risk management, contingency planning, and contractor performance and accountability.

The Committee expects the IRS to monitor its entire non-BSM IT portfolio (regardless of tier classification) and make any changes as necessary to ensure that each project has (1) been properly classified for investment decision and management purposes, (2) the appropriate governance structure in place (such as an executive steer-

ing committee), (3) a risk management plan, (4) a contingency plan in case of breakdowns or failures in scheduled deliverables, (5) adequate provisions in the contracts to ensure penalties and repayment to the agency if performance is not met, (6) adequate contractor staffing and management in place to fulfill the contract terms and deliverables, and (7) been certified by the head of the relevant IRS business unit that the project is deemed necessary for its operations and meets its requirements.

The Committee directs the administration and the IRS to include within the fiscal year 2012 budget request a proposed long-term multiyear funding strategy within the Operations Support account to upgrade and modernize the aging legacy IRS information technology infrastructure.

BUSINESS SYSTEMS MODERNIZATION

Appropriations, 2010	\$263,897,000
Budget estimate, 2011	386,908,000
Committee recommendation	386,908,000

PROGRAM DESCRIPTION

The Business Systems Modernization account provides resources for revamping business practices and acquiring new technology. The IRS has undertaken a multi-year, multi-billion dollar effort to migrate from its antiquated legacy system to bring the IRS tax administration system to a level of public and private sector best practices. The IRS is using a formal methodology to prioritize, approve, fund, and evaluate its portfolio of business systems modernization investments. This methodology is designed to enforce a documented, repeatable, and measurable process for managing investments throughout their life cycle. The process is reviewed by the Government Accountability Office on a regular basis as part of the submission requirements for expenditure plans to the House and Senate Committees on Appropriations. The expenditure plan approval process prior to the use of appropriated funds continues for fiscal year 2011.

COMMITTEE RECOMMENDATION

The Committee recommends \$386,908,000 for Business Systems Modernization [BSM] for fiscal year 2011. This amount is \$123,011,000 above the fiscal year 2010 enacted level and the same as the budget request. The Committee continues to believe that BSM is the IRS's highest management and administrative priority. As one of the Federal Government's largest, most visible, and sensitive modernization efforts, managing the risks inherent in BSM will require vigilant management attention for several years. To the IRS's credit, the program has made steady progress over the past few years. The replacement of the aging, vintage 1969 individual master file with the new customer account data engine will permit daily, rather than weekly, updating of individual tax accounts. With this relational database as its centerpiece, systems modernization by the IRS promotes enhanced customer service, more expeditious refund processing, and better administration of the tax system.

The Committee underscores the critical importance of the continued migration from the aging tax administration system to a sophisticated relational platform, and understands that the requested funding increase for Business Systems Modernization [BSM] is a top national priority. Completion of the core taxpayer account database is the cornerstone of modernization and a foundational prerequisite upon which the success of other major initiatives depends. It will fundamentally transform the IRS's relationship with its accounts, and promote opportunities for both taxpayer service delivery and enforcement.

The Committee recognizes that the BSM program is presently at a critical juncture in its evolution, and recommends full funding of \$152,119,000 for CADE 2 to allow the IRS to complete the new taxpayer account database for the 2012 filing season. CADE 2 will feature a daily processing cycle that will generate more timely, accurate, and complete data resulting in more rapid direct deposit of refunds for electronic filers, faster account adjustments, and expedited resolution of taxpayer account issues and transactions. The Committee's recommended funding will also support investments of \$40,000,000 for Current CADE, \$39,100,000 for Modernized E-file, \$38,500,000 for Core Infrastructure, \$37,000,000 for Architecture, Integration, and Management, \$10,000,000 as Management Reserve, and \$70,189,000 for labor expenses in conjunction with Business Systems Modernization.

The Committee acknowledges that the IRS has made progress in addressing information security risks confronting the IRS modernization environment, but that weaknesses continue to place IRS systems at risk. The Committee expects the IRS to continue its efforts to fully address its information security weaknesses, including promptly instituting corrective action in response to recommendations of GAO and TIGTA in this area.

HEALTH INSURANCE TAX CREDIT ADMINISTRATION

Appropriations, 2010	\$15,512,000
Budget estimate, 2011	18,987,000
Committee recommendation	18,987,000

PROGRAM DESCRIPTION

This appropriation provides operating funds to administer the advance payment feature of a refundable trade adjustment assistance health insurance tax credit program to assist dislocated workers with their health insurance premiums. The tax credit program was enacted by the Trade Act of 2002 (Public Law 107-210) and became effective in August 2003.

COMMITTEE RECOMMENDATION

The Committee recommendation provides \$18,987,000 for the Health Insurance Tax Credit Administration in fiscal year 2011. This amount is \$3,475,000 above the fiscal year 2010 enacted level and the same as the budget request.

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

The Committee has included five administrative provisions carried in prior appropriations acts as follows:

Section 101 continues a provision allowing the IRS to transfer up to 5 percent of any appropriation made available to the agency in fiscal year 2011 to any other IRS account, with the exception of the Enforcement account, which is limited to 3 percent. The IRS is directed to follow the Committee's reprogramming procedures outlined earlier in this report.

Section 102 continues a provision maintaining a training program in taxpayers' rights and cross-cultural relations.

Section 103 continues a provision requiring the IRS to institute and enforce policies and procedures, which will safeguard the confidentiality of taxpayer information.

Section 104 continues a provision directing that funds shall be available for improved facilities and increased staffing to support a 1-800 help line service for taxpayers.

Section 105 continues a provision that prohibits the use of funds in this act to enter into, renew, extend, administer, implement, enforce, provide oversight of, or make any payment related to any qualified tax collection contract.

ADMINISTRATIVE PROVISIONS—DEPARTMENT OF THE TREASURY

The Committee includes 13 administrative provisions carried over from prior appropriations acts. The administrative provisions are as follows:

Section 107 authorizes certain basic services within the Treasury Department in fiscal year 2011, including purchase of uniforms; maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; and contracts with the Department of State for health and medical services to employees and their dependents serving in foreign countries.

Section 108 authorizes transfers, up to 2 percent, between Departmental Offices, Office of Inspector General, Special Inspector General for the Troubled Asset Relief Program, Financial Management Service, Alcohol and Tobacco Tax and Trade Bureau, Financial Crimes Enforcement Network, and the Bureau of the Public Debt appropriations under certain circumstances.

Section 109 authorizes transfers, up to 2 percent, between the Internal Revenue Service and the Treasury Inspector General for Tax Administration under certain circumstances.

Section 110 requires that the purchase of law enforcement vehicles be consistent with departmental vehicle management principles.

Section 111 prohibits the Department of the Treasury and the Bureau of Engraving and Printing from redesigning the \$1 Federal Reserve Note.

Section 112 authorizes the Secretary of the Treasury to transfer funds from Salaries and Expenses, Financial Management Service, to the Debt Collection Fund as necessary to cover the costs of debt collection. Such amounts shall be reimbursed to the Salaries and Expenses account from debt collections received in the Debt Collection Fund.

Section 113 extends for 1 year the authority to conduct a personnel management demonstration project.

Section 114 requires prior approval for the construction and operation of a museum by the United States Mint.

Section 115 prohibits the merger of the United States Mint and the Bureau of Engraving and Printing without prior approval of the committees of jurisdiction.

Section 116 authorizes the Department's intelligence activities.

Section 117 permits the Bureau of Engraving and Printing to use \$5,000 from the Industrial Revolving Fund for reception and representation expenses.

Section 118 requires prior approval for certain spending from the Treasury Forfeiture Fund.

Section 119 requires the Secretary of the Treasury to develop an annual Capital Investment Plan.

TITLE II
EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS
APPROPRIATED TO THE PRESIDENT

COMPENSATION OF THE PRESIDENT

Appropriations, 2010	\$450,000
Budget estimate, 2011	450,000
Committee recommendation	450,000

PROGRAM DESCRIPTION

This account provides for the compensation of the President, including an expense allowance as authorized by 3 U.S.C. 102.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$450,000 for compensation of the President, including an expense allowance of \$50,000. This is the same as the fiscal year 2010 enacted level and the same as the budget request. The expense account is for official use as authorized by title 3, United States Code and is not considered taxable to the President. The bill specifies that any unused amount shall revert to the Treasury consistent with 31 U.S.C. 1552.

THE WHITE HOUSE

SALARIES AND EXPENSES

Appropriations, 2010	\$59,143,000
Budget estimate, 2011	59,859,000
Committee recommendation	59,859,000

PROGRAM DESCRIPTION

The “Salaries and Expenses” account of The White House provides staff assistance and administrative services for the direct support of the President. The office also serves as the President’s representative before the media. In accordance with 3 U.S.C. 105, the office also supports and assists the activities of the spouse of the President.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$59,859,000 for The White House, Salaries and Expenses. The recommendation is \$716,000 more than the fiscal year 2010 enacted level and is equal to the budget request.

Of the total funding, the Committee recommends \$1,400,000 for the Office of National AIDS Policy. The Committee directs the administration to continue to coordinate a Government-wide effort to

develop and implement a domestic AIDS strategy, including the development of targets for improved prevention and treatment outcomes.

The Committee expects officials employed in whole or in part by the Executive Office of the President, and designated by the President to coordinate policy agendas across executive departments and agencies, to keep Congress fully and currently informed of such activities. The Committee directs each official designated by the President to serve in a position not recognized by statute and who is responsible for interagency development or coordination of any rule, regulation, or policy to submit a semiannual report describing the activities of the official and the office of such official, including a detailed explanation of the development or issuance of any rule, regulation, directive or policy on which that official or the office of such official participated or assisted. The first such report shall be submitted not later than March 31, 2011.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

OPERATING EXPENSES

Appropriations, 2010	\$13,838,000
Budget estimate, 2011	14,006,000
Committee recommendation	14,006,000

PROGRAM DESCRIPTION

These funds provide for the care, maintenance, repair, alteration, refurbishing, improvement, air-conditioning, heating, and lighting of the White House and the official and ceremonial functions of the President.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$14,006,000 for the Executive Residence at the White House. The Committee recommendation is \$168,000 more than the fiscal year 2010 enacted level and is equal to the budget request. The bill also continues certain restrictions on reimbursable expenses for use of the Executive Residence.

WHITE HOUSE REPAIR AND RESTORATION

Appropriations, 2010	\$2,500,000
Budget estimate, 2011	2,005,000
Committee recommendation	2,005,000

PROGRAM DESCRIPTION

This account funds the repair, alteration, and improvement of the Executive Residence at the White House. A separate account was established in fiscal year 1996 to program and track expenditures for the capital improvement projects at the Executive Residence at the White House.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,005,000 for White House Repair and Restoration, equal to the budget request and \$495,000 below the fiscal year 2010 enacted level.

COUNCIL OF ECONOMIC ADVISERS

SALARIES AND EXPENSES

Appropriations, 2010	\$4,200,000
Budget estimate, 2011	4,403,000
Committee recommendation	4,403,000

PROGRAM DESCRIPTION

The Council of Economic Advisers analyzes the national economy and its various segments, advises the President on economic developments, recommends policies for economic growth and stability, appraises economic programs and policies of the Federal Government, and assists in the preparation of the annual Economic Report of the President to Congress.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,403,000 for salaries and expenses of the Council of Economic Advisers. This amount is equal to the budget request and is \$203,000 above the fiscal year 2010 enacted level.

NATIONAL SECURITY COUNCIL AND HOMELAND SECURITY COUNCIL

SALARIES AND EXPENSES

Appropriations, 2010	\$12,231,000
Budget estimate, 2011	14,134,000
Committee recommendation	14,134,000

PROGRAM DESCRIPTION

The National Security Council advises the President in integrating domestic, foreign, and military policies related to national security and the Homeland Security Council advises the President in coordinating homeland security-related policies across the Government.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$14,134,000 for the salaries and expenses of the National Security Council and the Homeland Security Council. This amount is equal to the budget request and \$1,903,000 more than the fiscal year 2010 enacted level.

The budget requests that funding for the Homeland Security Council, previously funded within The White House Office account, be combined with funding for the National Security Council. The Committee does not oppose the proposed reorganization and recommends funding for the Homeland Security Council together with the National Security Council within a new account titled "National Security Council and Homeland Security Council."

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

Appropriations, 2010	\$115,280,000
Budget estimate, 2011	115,280,000
Committee recommendation	115,280,000

PROGRAM DESCRIPTION

The Office of Administration’s mission is to provide high-quality, cost-effective administrative services to the Executive Office of the President. These services, defined by Executive Order 12028 of 1977, include financial, personnel, library and records services, information management systems support, and general office services.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$115,280,000 for the Office of Administration for fiscal year 2011, equal to both the fiscal year 2010 enacted level and the budget request.

The Committee’s recommendation includes \$12,777,000 to stabilize and modernize the information technology infrastructure within the Executive Office of the President. This funding supports the continuation of a major initiative that will refresh the aging information technology infrastructure, strengthen disaster recovery capabilities, and expand the capabilities of the Executive Office of the President to electronically communicate with citizens and provide information to the public.

The Committee directs the Office of Administration to place a top priority on the implementation of comprehensive policies and procedures for the preservation of all records, including electronic records such as e-mails, videos, and social networking communication, consistent with the requirements of the Presidential Records Act, the Federal Records Act, and other pertinent laws. The Office of Administration shall work closely with the National Archives and Records Administration [NARA] to ensure the full and complete maintenance and formatting of electronic records that will eventually be turned over to NARA. The Committee expects the Office of Administration to keep the Committee fully apprised of funding needs related to record preservation and retention.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

Appropriations, 2010	\$92,863,000
Budget estimate, 2011	92,863,000
Committee recommendation	94,863,000

PROGRAM DESCRIPTION

The Office of Management and Budget [OMB] assists the President in the discharge of his budgetary, management, and other executive responsibilities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$94,863,000 for the Office of Management and Budget which is \$2,000,000 above both the fiscal year 2010 enacted level and the budget request.

The recommended increase above the budget request is provided to maintain and enhance the career civil service workforce at OMB and to make critical investments in modernizing the Federal Government’s core budgeting system.

The Committee relies on all entities receiving Federal funds, including OMB, to provide detailed information about budget requests and activities conducted using previously appropriated funds. The Committee expects OMB to provide timely and complete responses to the Committee to all requests for information, including requests related to the budget request for OMB and the Executive Office of the President.

The Committee directs OMB to submit a quarterly personnel census to the Committee specifying the number of full-time and part-time career staff and the number of full-time and part-time non-career Presidential appointees. The personnel census shall be arrayed by specific program activity and include specific detail for each OMB-wide support office, the number of Federal agency detailees, and the number of contractor staff.

The Committee directs OMB to submit a written report to the Committee within 120 days of enactment specifying a plan to modernize the Federal Government's core budgeting system. This system is used Government-wide by all Federal agencies for documenting and estimating budget activities, ensuring data integrity with other financial and accounting systems, and transmitting a detailed budget request to the Congress. The report shall specify a timeline and a detailed budget estimate for designing and implementing the modernized system as well as a description of enhanced capabilities.

Pursuant to the presidential memorandum regarding disposal of unneeded Federal real estate, the Committee directs that OMB summarize the results, by agency, of the real property cost savings and innovation plans in a report due to the Committee not later than 45 days after enactment of this act. As these agency plans were due to OMB by July 23, 2010, any updated information related to this effort should be included in the report.

GOVERNMENT-WIDE MANAGEMENT COUNCILS

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2010	\$17,000,000
Budget estimate, 2011	20,000,000
Committee recommendation	17,000,000

PROGRAM DESCRIPTION

The Government-wide Management Councils provide forums for improving government performance by facilitating experience exchange and identification of best practices among leaders in Federal agencies. Interagency groups funded under this account include the President's Management Council for overall management improvement initiatives, the Chief Financial Officers Council for financial management initiatives, the Chief Information Officers Council for information technology initiatives, the Chief Human Capital Officers Council for human capital initiatives, the Chief Acquisition Officers Council for procurement initiatives, and the Performance Improvement Council for performance improvement initiatives. Funding is derived via transfer from the head of each executive department and agency.

COMMITTEE RECOMMENDATION

The Committee recommends \$17,000,000 for Government-wide Management Councils which is equal to the fiscal year 2010 enacted level and \$3,000,000 below the budget request. Funding for these activities was provided for in fiscal year 2010 in section 723 of Public Law 111–117. The Committee directs the Executive Office of the President to continue to include a budgetary justification for each council in the annual budget request and to clearly note in the budget justification any items requested in the budget for Government-wide initiatives led or coordinated through the councils (for example, the Financial Innovation and Transformation project proposed for fiscal year 2011 through the Department of the Treasury).

The Committee supports the activities of the Government-wide Management Councils and recognizes that regular communication among agency leaders can lead to improved performance. The Committee does not recommend requested funding of \$3,000,000 for pilot programs to be initiated through the councils in fiscal year 2011. The Committee will evaluate specific proposals for pilot programs in the future but cannot make recommendations on funding without specific budgetary justification.

OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

Appropriations, 2010	\$29,575,000
Budget estimate, 2011	26,196,000
Committee recommendation	29,000,000

PROGRAM DESCRIPTION

The Office of National Drug Control Policy [ONDCP], established by the Anti-Drug Abuse Act of 1988, and reauthorized by Public Law 109–469, is charged with developing policies, objectives, and priorities for the National Drug Control Program. In addition, ONDCP administers the Counterdrug Technology Assessment Center, the High Intensity Drug Trafficking Areas program, the National Youth Anti-Drug Media Campaign, the Drug-Free Communities Program, and several other related initiatives.

This account provides funding for personnel compensation, travel, and other basic operations of the Office, and for general policy research to support the formulation of the National Drug Control Strategy.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$29,000,000 for ONDCP’s salaries and expenses. This amount is \$575,000 below the fiscal year 2010 enacted level and \$2,804,000 above the budget request. The funding level is provided to accommodate staffing hired during fiscal year 2010.

The Committee has received ONDCP’s report about steps taken during the past year to address the recommendations of the study conducted by the National Academy of Public Administration [NAPA]. Some positive steps have been taken; however, room for

improvement still exists. Among other recommendations named in the NAPA report, the Committee remains particularly interested in fostering openness and participation by staff at ONDCP, ensuring that qualified individuals hold leadership positions, and reducing the number of political positions at ONDCP. The Committee applauds efforts by top leadership to listen to stakeholders and applauds efforts with interagency working groups and their task forces. The Committee directs ONDCP to provide an updated report by May 13, 2011 on further actions and improvements taken.

The Committee is aware that the administration’s new drug strategy places an increased emphasis on demand reduction; however, this commitment is not reflected within program staffing allocations. The Office of Supply Reduction remains more than three times the size of the Office of Demand Reduction. The Committee is concerned that positive efforts undertaken by the Deputy Director of ONDCP may cease with his impending departure and urges ONDCP to ensure that Office of Demand Reduction staff—both current and new—have expertise in prevention and making comprehensive community action a focal point.

The Committee recognizes efforts by ONDCP to improve the quality of some reports required by Congress; however, several reports remain late, such as the staffing and Counterdrug Technology Assessment Center reports. In some cases, a lengthy clearance process delays submission of information required by Congress in a timely manner.

COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2010	\$5,000,000
Budget estimate, 2011	
Committee recommendation	

PROGRAM DESCRIPTION

The Counterdrug Technology Assessment Center [CTAC] was established by the Counter-Narcotics Technology Act of 1990 (Public Law 101–510) and reauthorized in 1998 (Public Law 105–277) to serve as the central counterdrug technology research and development organization for the United States Government.

COMMITTEE RECOMMENDATION

The Committee has provided no funding for this program, consistent with the budget request.

FUNDS APPROPRIATED TO THE PRESIDENT
FEDERAL DRUG CONTROL PROGRAMS
HIGH INTENSITY DRUG TRAFFICKING AREAS
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2010	\$239,000,000
Budget estimate, 2011	209,950,000
Committee recommendation	239,000,000

PROGRAM DESCRIPTION

The High Intensity Drug Trafficking Areas [HIDTA] program was established by the Anti-Drug Abuse Act of 1988 (Public Law 100–690) and the Office of National Drug Control Policy’s reauthorization (Public Law 109–469) to provide assistance to Federal, State, and local law enforcement entities operating in those areas most adversely affected by drug trafficking.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$239,000,000 for the HIDTA program, the same as the fiscal year 2010 level and \$29,050,000 above the budget request. The Committee expects that the fiscal year 2010 program adjustment be added to the baseline operating budget for each HIDTA. The Committee directs that funding shall be provided for the existing HIDTAs at no less than the fiscal year 2010 level.

ONDCP is directed to consult with the HIDTAs in advance of deciding programmatic spending allocations for discretionary (supplemental) funding.

The Committee recommendation specifies that up to \$2,700,000 may be used for auditing services and associated activities, and up to \$500,000 shall be used to ensure the continued operation and maintenance of the Performance Management System.

The Committee directs that the HIDTA funds be transferred to the appropriate drug control agencies expeditiously and includes provisions in the bill to help prevent delay.

The Committee recognizes the National HIDTA Assistance Center for providing programmatic support to the HIDTA program to include training, financial management/audit review, and other essential services.

The Committee retains a provision allowing unexpended funds obligated prior to 2 years ago for programs addressing the treatment or prevention of drug use to be used for other approved HIDTA activities.

The HIDTA funds should not be used to supplant existing support for ongoing Federal, State, or local drug control operations normally funded out of the operating budgets of each agency. ONDCP is directed to withhold all HIDTA funds from a State until such time as a State or locality has met its financial obligation.

The Committee is concerned about the delay that has occurred with discretionary (supplemental) funding. Previous annual bill language directed that this funding be allocated not later than 120 days after enactment, and this language has been softened since timely transactions have been occurring. However, for fiscal year 2010, the HIDTAs have not received all of their discretionary funding (which is added to the budget request by Congress). Distribution of these funds is overdue, and the Committee reminds the Executive Office of the President that this is not acceptable and that the clearance process needs to be expedited.

OTHER FEDERAL DRUG CONTROL PROGRAMS
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2010	\$154,400,000
Budget estimate, 2011	165,300,000
Committee recommendation	175,825,000

PROGRAM DESCRIPTION

The Anti-Drug Abuse Act of 1988 (Public Law 100–690), and the Office of National Drug Control Policy Reauthorization Act (Public Law 109–469) established this account to be administered by the Director of the Office of National Drug Control Policy. The funds appropriated to the program support high-priority drug control programs and may be transferred to drug control agencies.

This account includes the following programs: National Youth Anti-Drug Media Campaign, Drug-Free Communities Support Program, National Drug Court Institute, U.S. Anti-Doping Agency, World Anti-Doping Agency [WADA] membership dues, National Alliance for Model State Drug Laws, and Performance Measures Development.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$175,825,000 for Other Federal Drug Control Programs, which is \$21,425,000 above the fiscal year 2010 enacted level and \$10,525,000 above the budget request. Within this amount, the Committee provides the following funding levels:

	Amount
National Youth Anti-Drug Media Campaign	\$66,500,000
Drug-Free Communities Support Program	95,000,000
National Community Anti-Drug Coalition training	2,000,000
National Drug Court Institute	1,000,000
U.S. Anti-Doping Agency	10,000,000
World Anti-Doping Agency [WADA]	1,900,000
National Alliance for Model State Drug Laws	1,187,500
Performance Measures Development	237,500

National Youth Anti-drug Media Campaign.—Since its initial funding in fiscal year 1998, the Media Campaign has been viewed at times positively and negatively. It has received mostly negative reviews when analyzed by independent entities and GAO, and its results have not been—and perhaps cannot be—proven. As a result, funding has decreased over time. However, the Committee believes that it is important to maintain anti-drug messaging to the Nation’s youth. The Committee is aware of ONDCP’s new approach of emphasizing ads toward a subset of the target audience; customizing messages at the local level; using digital media, and using culturally sensitive advertising. The Committee continues to be supportive of continued ads aimed at methamphetamine abuse. The Committee provides \$66,500,000 for the Media Campaign, which should include methamphetamine prevention ads. The Committee directs that no more than 10 percent of the funding provided for the Media Campaign be used for administrative costs.

Drug-free Communities Support Program.—ONDCP directs the Drug-Free Communities Support Program [DFCSP] in partnership with the Substance Abuse and Mental Health Services Administration. DFCSP provides dollar for dollar matching grants of up to \$125,000 to local coalitions that mobilize their communities to prevent youth alcohol, tobacco, illicit drug, and inhalant abuse. Such grants support coalitions of youth; parents; media; law enforcement; school officials; faith-based organizations; fraternal organizations; State, local, and tribal government agencies; healthcare professionals; and other community representatives. The DFCSP enables these coalitions to strengthen their coordination and prevention efforts, encourage citizen participation in substance abuse reduction efforts, and disseminate information about effective programs. The Committee provides \$95,000,000 for the continuation of the DFCSP.

The Committee includes a provision in the bill directing ONDCP to provide \$2,000,000 of DFCSP funds for training and related purposes as authorized by section 4 of Public Law 107–82, as amended by Public Law 109–469.

National Drug Court Institute.—The National Drug Court Institute facilitates the growth of the drug court movement by promoting and disseminating education, research, and scholarship concerning drug court programs and providing a comprehensive drug court training series for practitioners. Drug courts provide an effective means to fight drug-related crime through the cooperative efforts of State and local law enforcement, the judicial system, and the public health treatment network. The Committee provides \$1,000,000 for the National Drug Court Institute.

United States Anti-doping Agency.—The United States Anti-Doping Agency [USADA] is the independent anti-doping agency for Olympic sports in the United States, and is responsible for managing the testing and adjudication process for U.S. Olympic, Pan Am and Paralympic athletes. As a nonprofit corporation under the leadership of an independent Board of Directors, USADA has the authority to set forth guiding principles in anti-doping policy and to enforce any doping violations. In addition to managing collection and testing procedures, USADA is also responsible for enhancing research efforts and promoting educational programs to inform athletes of the rules governing the use of performance enhancing substances, as well as the ethics of doping and its harmful health effects. The Committee provides \$10,000,000 for USADA.

World Anti-doping Agency.—ONDCP represents the United States in the World Anti-doping Agency [WADA], which promotes and coordinates international activities against doping in all forms of sports. The Committee provides \$1,900,000 for membership dues to the WADA.

National Alliance For Model State Drug Laws.—The National Alliance for Model State Drug Laws [NAMSDL] is a national organization that drafts, researches, and analyzes model drug and alcohol laws and related State statutes, provides access to a national network of drug and alcohol experts, and facilitates working relationships among State and community leaders and drug and alcohol professionals. In doing so, NAMSDL encourages States to adopt and implement laws, policies, and regulations to reduce drug traf-

ficking, drug use, and their related consequences. The Committee provides \$1,187,500 to NAMSDL and directs ONDCP to provide the entire amount directly to NAMSDL within 30 days after enactment of this act.

National Drug Control Performance Measures Development.— Performance Measures funding is used to conduct evaluation research for assessing the effectiveness of the National Drug Control Strategy. The Committee provides \$237,500 for this program.

UNANTICIPATED NEEDS

Appropriations, 2010	\$1,000,000
Budget estimate, 2011	1,000,000
Committee recommendation	1,000,000

PROGRAM DESCRIPTION

These funds enable the President to meet unanticipated exigencies in support of the national interest, security, or defense.

COMMITTEE RECOMMENDATION

The Committee recommends \$1,000,000, which is equal to the amount appropriated in fiscal year 2010 and the same as the budget request.

PARTNERSHIP FUND FOR PROGRAM INTEGRITY INNOVATION

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2010	\$37,500,000
Budget estimate, 2011	
Committee recommendation	

PROGRAM DESCRIPTION

The Partnership Fund for Program Integrity Innovation (Partnership Fund) is a new program initiated in fiscal year 2010. The Committee understands that the Partnership Fund will support pilot programs designed to reduce errors and improve efficiency and service of Federal programs administered by States. The Partnership Fund pilot programs will focus on coordinating State-administered Federal programs both within States and between State and Federal officials and on technology solutions that may serve as best practices in the future. The Director of the Office of Management and Budget [OMB] chairs an interagency council consisting of representatives of appropriate Federal agencies, States, and other stakeholders. The council analyzes and will select pilot programs for funding, develop strategies and goals for the overall program as well as for each pilot program, and develop methodologies for assessing the performance of the overall program and the pilot programs.

COMMITTEE RECOMMENDATION

The Committee does not recommend additional funding for the Partnership Fund in fiscal year 2011, consistent with the budget request. Funds provided in fiscal year 2010 will be sufficient to continue the initiative during fiscal year 2011. The Committee reminds the interagency council of the semiannual progress reports

that are required to be submitted to the Committees on Appropriations.

The Committee is pleased with the proposed initiative to improve the operations of State-administered Federal programs. Efficiencies can be gained by better coordinating Federal programs, and technology may play a significant role in such improvements.

The Committee notes that OMB does not administer or execute Federal programs. While the Committee expects OMB to continue to play a coordinating role in designing pilot programs, developing performance measures, and allocating funds, the Committee directs that the interagency council be the exclusive decisionmaking body for such activities. As Chair of the Interagency Council, the Committee directs the Director of OMB to seek consensus and input to the maximum extent possible from council members and participating Federal and State agencies.

INTEGRATED, EFFICIENT, AND EFFECTIVE USES OF INFORMATION TECHNOLOGY

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2010	
Budget estimate, 2011	\$50,000,000
Committee recommendation	40,000,000

PROGRAM DESCRIPTION

The Integrated, Efficient, and Effective Uses of Information Technology [IEEUIT] program is a new program recommended by the President in fiscal year 2011. The Committee understands that the IEEUIT will be used as a central Government fund to establish common hosting for centralized IT services in order to create a set of common platforms for universal tasks, potentially including citizen engagement capabilities, collaboration capabilities, and accountability tracking. The goal of the IEEUIT is to centralize key information technology services for Government agencies, saving taxpayer dollars in the future that would otherwise be spent on duplicative and inefficient information technology services.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$40,000,000 for the IEEUIT. The IEEUIT is a new program and was not funded in fiscal year 2010. Although the recommended funding is \$10,000,000 below the budget request, the Committee believes that the recommended amount represents sufficient resources to initiate the IEEUIT program in fiscal year 2011.

The Committee is pleased with the proposed initiative and welcomes the comprehensive, innovative approach to modernizing and streamlining common information technology services within the Federal Government. The Committee reminds the Executive Office of the President, however, that the Committee expects to be regularly apprised of how Government-wide efforts under the IEEUIT affect agency-specific projects and missions on a case-by-case basis. The Committee directs that the IEEUIT shall not be a substitute for the Committee's routine consideration of agency needs in accordance with the regular budget process. Finally, the Committee

directs the Executive Office of the President to notify the Committee immediately upon any change in an agency spending plan pursuant to the IEEUIT or any other effort to modernize, streamline, or improve Federal information technology projects.

SPECIAL ASSISTANCE TO THE PRESIDENT

SALARIES AND EXPENSES

Appropriations, 2010	\$4,604,000
Budget estimate, 2011	4,657,000
Committee recommendation	4,657,000

PROGRAM DESCRIPTION

This appropriation provides for staff and expenses to enable the Vice President to provide assistance to the President in connection with the performance of executive duties and responsibilities. The Vice President also has a staff funded by the Senate to assist him in the performance of his legislative duties. These funds also support the official activities of the spouse of the Vice President.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,657,000 for special assistance to the President. This amount is the same as the budget request and \$53,000 above the fiscal year 2010 enacted level.

OFFICIAL RESIDENCE OF THE VICE PRESIDENT

OPERATING EXPENSES

Appropriations, 2010	\$330,000
Budget estimate, 2011	335,000
Committee recommendation	335,000

PROGRAM DESCRIPTION

This account supports the care and operation of the Vice President's residence on the grounds of the Naval Observatory. These funds specifically support equipment, furnishings, dining facilities, and services required to perform and discharge the Vice President's official duties, functions, and obligations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$335,000 for the official residence of the Vice President. This amount is the same as the budget request and \$5,000 above the fiscal year 2010 enacted level.

ADMINISTRATIVE PROVISIONS—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

Section 201 continues a provision that provides flexibility in the use of funds in accounts under the Executive Office of the President.

Section 202 requires a detailed financial plan by the Director of ONDCP prior to the obligation of funds in fiscal year 2011.

Section 203 allows for the transfer of up to 2 percent among programs within ONDCP.

Section 204 establishes reprogramming requirements for ONDCP.

TITLE III
THE JUDICIARY

PROGRAM DESCRIPTION

Established under Article III of the Constitution, the judicial branch of Government is a separate but equal branch. The Federal judiciary consists of the Supreme Court, United States Courts of Appeals, District Courts, Bankruptcy Courts, Court of International Trade, Court of Federal Claims, and several other entities and programs. The organization of the judiciary, the district and circuit boundaries, the places of holding court, and the number of Federal judges are legislated by the Congress and signed into law by the President.

The Committee's recommended funding levels support the Federal judiciary's role of providing equal justice under the law and include sufficient funds to support this critical mission. The recommended funding level includes the salaries of judges and support staff and the operation and security of our Nation's courts.

The judicial branch is subject to the same funding constraints facing the executive and legislative branches. It is imperative that the Federal judiciary devote its resources primarily to the retention of staff. Further, it is also important that the judiciary contain controllable costs such as travel, construction, and other expenses.

SUPREME COURT OF THE UNITED STATES

SALARIES AND EXPENSES

Appropriations, 2010	\$74,034,000
Budget estimate, 2011	77,758,000
Committee recommendation	77,758,000

PROGRAM DESCRIPTION

The United States Supreme Court consists of nine justices appointed under Article III of the Constitution of the United States, one of whom is appointed as Chief Justice of the United States. The Supreme Court acts as the final arbiter in the Federal court system.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$77,758,000 for the Justices, their supporting personnel, and the costs of operating the Supreme Court, excluding the care of the building and grounds. The recommendation is \$3,724,000 above the fiscal year 2010 funding level and consistent with the budget request.

The Committee has encountered difficulties securing information relating to budgetary matters. On several occasions, responses re-

lating to how funds had been spent were incomplete or unaddressed.

Specifically, for the past several years, the Committee has directed the Court to report on its \$122,300,000 construction and modernization plan. While summaries have been provided, the level of detail and specificity the Committee needs to accurately assess the progress of the modernization project and make determinations regarding the resources needed to complete the project has not been forthcoming. Court officials have recently indicated that security improvements are part of the modernization project; however, the reports have not included sufficient detail for the Committee to review how the resources have been allocated between security improvements and other aspects of the project. Questions from the Committee for specific data regarding these expenditures have not been addressed. Without more information, the Committee’s ability to assess the project management, and track and document prior spending is hampered. In order to gain a better budgetary understanding of ongoing projects, directive language has been included under the “Care of Buildings and Grounds” account.

The Committee is charged with funding and overseeing agencies and entities under its jurisdiction and must ensure that scarce resources are being utilized in the most cost-efficient manner. The Committee cannot allocate resources prudently without receiving detailed justifications for requests and plans for expenditures from any agency or entity requesting resources. As a result, certain fiscal year 2011 funding will be available only upon receipt of a detailed report as required under the “Care of Buildings and Grounds” account.

CARE OF THE BUILDING AND GROUNDS

Appropriations, 2010	\$14,525,000
Budget estimate, 2011	14,788,000
Committee recommendation	14,788,000

PROGRAM DESCRIPTION

Care of the Building and Grounds, for expenditure by the Architect of the Capitol, provides for the structural and mechanical care of the United States Supreme Court Building and Grounds, including maintenance and operation of mechanical, electrical, and electronic equipment.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$14,788,000 for personnel and other services related to the Supreme Court building and grounds, which is supervised by the Architect of the Capitol. The recommendation is \$263,000 above the fiscal year 2010 funding level and the same as the budget request.

The Committee is aware that numerous major capital improvement projects have been ongoing at the Court, but has not been presented with a clear understanding of the details of the projects and their budgets. The Court is directed to provide to the Committee a detailed report not later than 90 days after enactment of this act, on each major capital project, including descriptions;

timelines; milestones; and funding committed, obligated, and expended, as well as any unobligated balances. The report should include the complete modernization project and also address any additional capital enhancement projects planned for the future. The report shall be updated and provided to the Committee on June 15, 2011, and again on September 30, 2011.

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

SALARIES AND EXPENSES

Appropriations, 2010	\$32,560,000
Budget estimate, 2011	35,859,000
Committee recommendation	33,920,000

PROGRAM DESCRIPTION

The United States Court of Appeals for the Federal Circuit was established on October 1, 1982 under Article III of the Constitution. The court was formed by the merger of the United States Court of Customs and Patent Appeals and the appellate division of the United States Court of Claims. The court consists of 12 judges who are appointed by the President, with the advice and consent of the Senate. Judges are appointed to the court under Article III of the Constitution of the United States.

The Federal Circuit has nationwide jurisdiction in a variety of subject matter, including international trade, Government contracts, patents, certain claims for money from the United States Government, Federal personnel, and veterans' benefits. Appeals to the court come from all Federal district courts, the United States Court of Federal Claims, the United States Court of International Trade, and the United States Court of Veterans Appeals. The court also takes appeals of certain administrative agencies' decisions, including the Merit Systems Protection Board, the Board of Contract Appeals, the Board of Patent Appeals and Interferences, and the Trademark Trial and Appeals Board. Decisions of the United States International Trade Commission, the Office of Compliance of the United States Congress, and the Government Accountability Office Personnel Appeals Board are also reviewable by the court.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$33,920,000. The recommendation is \$1,360,000 above the fiscal year 2010 funding level, and \$1,939,000 below the budget request. The Committee is aware that the Court hired staff during fiscal year 2010 without approval or funding provided by the Committee, therefore, the Committee has not included funding to support such staff. The funds provided equal the adjustments to base needed to maintain current services, with the exception of the annualization of the new fiscal year 2010 positions.

UNITED STATES COURT OF INTERNATIONAL TRADE

SALARIES AND EXPENSES

Appropriations, 2010	\$21,350,000
Budget estimate, 2011	22,268,000
Committee recommendation	22,268,000

PROGRAM DESCRIPTION

The United States Court of International Trade, located in New York City, consists of nine Article III judges. The court has exclusive nationwide jurisdiction over civil actions brought against the United States, its agencies and officers, and certain civil actions brought by the United States, arising out of import transactions and the administration and enforcement of the Federal customs and international trade laws.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$22,268,000. The recommendation is \$918,000 above the fiscal year 2010 funding level and consistent with the budget request.

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2010	\$5,011,018,000
Budget estimate, 2011	5,309,781,000
Committee recommendation	5,240,051,000

PROGRAM DESCRIPTION

Salaries and Expenses is one of four accounts that provide total funding for the Courts of Appeals, District Courts, and Other Judicial Services. In addition to funding the salaries of judges and support staff, this account also funds the operating costs of appellate, district, and bankruptcy courts, the Court of Federal Claims, and probation and pretrial services offices.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$5,240,051,000 for salaries and expenses. The recommendation is \$229,033,000 above the fiscal year 2010 funding level and \$69,730,000 below the budget request.

This funding level incorporates the Judiciary’s re-estimates and funds requested adjustments to base as well as requested increases with the exception of the cost-of-living adjustment for judges and the telecommunications infrastructure increase.

In addition, the Committee includes an appropriation of \$40,000,000 for workload requirements resulting from increased immigration and other law enforcement initiatives on the Southwest border. These additional resources are needed to address the projected growth in criminal caseload associated with additional ICE, FBI, DEA, and ATF agents and Assistant U.S. Attorneys. The

funds will be available to the Judicial Conference of the United States for additional Magistrate Judges, probation and pretrial services officers, clerk's office staff, fees of jurors, attorneys for indigent defendants, court security and related expenses. With these funds, as caseload grows, the Judicial Conference will be able to apply resources in a timely fashion to address the additional workload needs of the courts. Without these funds, a bottleneck in the judicial system will occur because the courts will lack the resources necessary to process the additional criminal cases brought by the Department of Justice.

Capital Security Program.—A major effort of the Judiciary over the past several years has been revising and strengthening its long-range planning process for facility needs. Following Judicial Conference adoption of an unprecedented cost containment strategy in 2004, a national moratorium on courthouse construction was imposed. Thirty-five courthouse construction projects that had not yet received appropriated funding for site, design, or construction were subject to the moratorium. These courthouses, and others in their respective districts/circuits, have been re-evaluated by the Judiciary using a new asset management planning [AMP] methodology. The AMP focuses on cost, and places a greater emphasis on space availability in an existing facility rather than on security or structural condition when determining whether to recommend a new courthouse or a major renovation of an existing facility.

Recognizing the impact of the Judiciary's rental expenses on its ability to maintain support of critical court requirements, the Committee supports the work of the Judiciary in revising its long-range planning process for facility needs. Budgetary realities, as well as new space design criteria for courtroom sharing, will result in fewer new courthouses recommended by the Judicial Conference for funding in the future. To date, 146 courthouses within 28 districts and 2 circuits have been assessed by the Judiciary to measure existing conditions, and operational and security deficiencies against current space and security criteria. Using the new methodology, existing buildings will not be replaced with modern courthouses based on security deficiencies alone.

However, the Committee believes that security deficiencies in existing courthouses still must be addressed which can be accomplished in most instances with considerably less funding than would be required for a new facility. Therefore, the Committee has included \$35,000,000 within the General Services Administration's Federal Buildings Fund to establish a new Special Emphasis Program—the Judiciary Capital Security Program—which provides funding to address security deficiencies in existing buildings where physical, interior alterations are viable. While limited due to fiscal constraints, this funding will allow the program to begin its work. The Judiciary and the GSA shall work collaboratively to assess the building conditions, viability of long-term use, and structural capacity for these stand-alone architectural solutions. Such solutions may include: building additional corridors; adding or reconfiguring elevators; building visual barriers; moving air-intakes; and enlarging security screening areas. To date, the Judiciary's recent AMP analysis has identified as many as 45 buildings which could benefit

from this initiative to improve the physical security in existing courthouses.

VACCINE INJURY COMPENSATION TRUST FUND

Appropriations, 2010	\$5,428,000
Budget estimate, 2011	4,785,000
Committee recommendation	4,785,000

PROGRAM DESCRIPTION

Enacted by the National Childhood Vaccine Injury Act of 1986 (Public Law 99–660), the Vaccine Injury Compensation Program is a Federal no-fault program designed to resolve a perceived crisis in vaccine tort liability claims that threatened the continued availability of childhood vaccines nationwide. The statute’s primary intention is the creation of a more efficient adjudicatory mechanism that ensures a no-fault compensation result for those allegedly injured or killed by certain covered vaccines. This program protects the availability of vaccines in the United States by diverting a substantial number of claims from the tort arena.

Not only did this act create a special fund to pay judgments awarded under the act, but it also created the Office of Special Masters within the United States Court of Federal Claims to hear vaccine injury cases. The act stipulates that up to eight special masters may be appointed for this purpose. The special masters expenditures are reimbursed to the judiciary for vaccine injury cases from a special fund set up under the Vaccine Act.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,785,000. The recommendation is \$643,000 below the fiscal year 2010 funding level and consistent with the budget request.

DEFENDER SERVICES

Appropriations, 2010	\$977,748,000
Budget estimate, 2011	1,081,195,000
Committee recommendation	1,072,253,000

PROGRAM DESCRIPTION

The Defender Services program ensures the right to counsel guaranteed by the Sixth Amendment, the Criminal Justice Act (18 U.S.C. 3006A(e)) and other congressional mandates for those who cannot afford to retain counsel and other necessary defense services. The Criminal Justice Act provides that courts appoint counsel from Federal public and community defender organizations or from a panel of private attorneys established by the court. The Defender Services program helps to maintain public confidence in the Nation’s commitment to equal justice under the law and ensures the successful operation of the constitutionally based adversary system of justice by which Federal criminal laws and federally guaranteed rights are enforced.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,072,253,000. The recommendation is \$94,505,000 above the fiscal year 2010

funding level and \$8,942,000 below the budget request. Due to limited resources as well as the large increase provided last year, no increase in the panel attorney noncapital rate is provided.

FEEES OF JURORS AND COMMISSIONERS

Appropriations, 2010	\$61,861,000
Budget estimate, 2011	64,108,000
Committee recommendation	55,590,000

PROGRAM DESCRIPTION

This account provides for the statutory fees and allowances of grand and petit jurors and for the compensation of jury and land commissioners. Budgetary requirements depend primarily upon the volume and the length of jury trials demanded by parties to both civil and criminal actions and the number of grand juries being convened by the courts at the request of the United States Attorneys.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$55,590,000. The recommendation is \$6,271,000 below the fiscal year 2010 funding level and consistent with the judiciary's re-estimate of fiscal year 2010 requirements.

COURT SECURITY

(INCLUDING TRANSFERS OF FUNDS)

Appropriations, 2010	\$452,607,000
Budget estimate, 2011	495,038,000
Committee recommendation	495,038,000

PROGRAM DESCRIPTION

The Court Security appropriation was established in 1983 and funds the necessary expenses incident to the provision of protective guard services, and the procurement, installation, and maintenance of security systems and equipment for United States courthouses and other facilities housing Federal court operations, including building access control, inspection of mail and packages, directed security patrols, perimeter security provided by the Federal Protective Service, and other similar activities as authorized by section 1010 of the Judicial Improvement and Access to Justice Act (Public Law 100-702).

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$495,038,000. The recommendation is \$42,431,000 above the fiscal year 2010 funding level and consistent with the budget request.

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

SALARIES AND EXPENSES

Appropriations, 2010	\$83,075,000
Budget estimate, 2011	87,255,000
Committee recommendation	87,255,000

PROGRAM DESCRIPTION

The Administrative Office [AO] of the United States Courts was created in 1939 by an act of Congress. It serves the Federal judiciary in carrying out its constitutional mission to provide equal justice under the law. Beyond providing numerous services to the Federal courts, the AO provides support and staff counsel to the Judicial Conference of the United States and its committees, and implements Judicial Conference policies as well as applicable Federal statutes and regulations. The AO is the focal point for communication and coordination within the Federal judiciary and with Congress, the executive branch, and the public on behalf of the judiciary.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$87,255,000. This recommendation is \$4,180,000 above the fiscal year 2010 funding level and consistent with the budget request.

FEDERAL JUDICIAL CENTER

SALARIES AND EXPENSES

Appropriations, 2010	\$27,328,000
Budget estimate, 2011	28,694,000
Committee recommendation	28,694,000

PROGRAM DESCRIPTION

The Federal Judicial Center, located in Washington, DC, improves the management of Federal judicial dockets and court administration through education for judges and staff, and research, evaluation, and planning assistance for the courts and the Judicial Conference. The Center's responsibilities include educating judges and other judicial branch personnel about legal developments and efficient litigation management and court administration. Additionally, the Center also analyzes the efficacy of case and court management procedures and ensures the Federal judiciary is aware of the methods of best practice.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$28,694,000. The recommendation is \$1,366,000 above the fiscal year 2010 funding level and consistent with the budget request.

JUDICIAL RETIREMENT FUNDS

PAYMENT TO JUDICIARY TRUST FUNDS

Appropriations, 2010	\$82,374,000
Budget estimate, 2011	90,361,400
Committee recommendation	90,361,400

PROGRAM DESCRIPTION

The funds in this account cover the estimated future benefit payments to be made to retired bankruptcy judges and magistrate

judges, claims court judges, and spouses and dependent children of deceased judicial officers.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$90,361,400 for payments to the Judicial Officers' Retirement Fund and the Claims Court Judges Retirement Fund. The recommendation is \$7,987,400 above the fiscal year 2010 funding level and consistent with the budget request.

UNITED STATES SENTENCING COMMISSION

SALARIES AND EXPENSES

Appropriations, 2010	\$16,837,000
Budget estimate, 2011	17,595,000
Committee recommendation	17,595,000

PROGRAM DESCRIPTION

The United States Sentencing Commission establishes, reviews, and revises sentencing guidelines, policies, and practices for the Federal criminal justice system. The Commission is also required to monitor the operation of the guidelines and to identify and report necessary changes to the Congress.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$17,595,000. The recommendation is \$758,000 above the fiscal year 2010 funding level and consistent with the budget request.

ADMINISTRATIVE PROVISIONS—THE JUDICIARY

The Committee recommends the following administrative provisions for the judiciary.

Section 301 allows the judiciary to expend funds for the employment of experts and consultative services.

Section 302 allows the judiciary, subject to the Committee's reprogramming procedures, to transfer up to 5 percent between appropriations, but limits to 10 percent the amount that may be transferred into any one appropriation.

Section 303 limits official reception and representation expenses incurred by the Judicial Conference of the United States to no more than \$11,000.

Section 304 requires the Administrative Office to submit an annual financial plan for the judiciary within 90 days of enactment of this act.

Section 305 grants the judicial branch the same tenant alteration authorities as the executive branch.

Section 306 provides continued authority for a court security pilot program.

TITLE IV
DISTRICT OF COLUMBIA
FEDERAL PAYMENTS
FEDERAL FUNDS

A total of \$738,999,000 in Federal funds are estimated to be available to the District of Columbia government, the District of Columbia Courts, the District of Columbia Court Services and Offender Supervision Agency, and other D.C. entities. This is \$13,130,000 below the fiscal year 2010 enacted level and \$9,326,000 above the budget request. A total of \$2,611,497,000 in Federal funds will be received by the District government from the various Federal grant programs, including Federal reimbursements from such programs as Medicaid and Medicare.

FEDERAL PAYMENT FOR RESIDENT TUITION SUPPORT

Appropriations, 2010	\$35,100,000
Budget estimate, 2011	35,100,000
Committee recommendation	35,100,000

PROGRAM DESCRIPTION

The Resident Tuition Support program was created by the District of Columbia College Access Act of 1999 (Public Law 106–98), expanded through the District of Columbia College Access Improvement Act of 2002 (Public Law 107–157), and amended and reauthorized through Public Law 110–97. This program provides eligible college-bound District residents the opportunity to expand their higher education choices.

Under the program, financial assistance is available to qualified District residents who attend public colleges outside of the District of Columbia, private postsecondary institutions in the District of Columbia, Maryland, or Virginia, or any historically black college or university. The private-school tuition grants are restricted to nonprofit institutions. Students who attend public schools receive assistance equal to the difference between the tuition paid by residents of the State in which the institution is located and the tuition charged to nonresident students, with an annual limit of \$10,000 and a lifetime limit of \$50,000. Private-school students receive a \$2,500 maximum annual grant, with a lifetime limit of \$12,500.

Since its inception a decade ago, the program has disbursed more than \$235,432,140 through December 31, 2009 for the benefit of more than 16,081 District of Columbia residents, with grants averaging \$6,587 per year. Sixty-five percent of the program grantees are the first in their families to attend college. Program participants have attended 300 colleges and universities in 49 States.

This has brought an infusion of the District’s students as well as Federal dollars to State university systems nationwide.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$35,100,000 for the resident tuition support [DC TAG] program, the same as the fiscal year 2010 enacted level and the same as the budget request. The Committee understands that the program will have \$15,497,003 in carryforward funds available in fiscal year 2011.

The Committee urges the Office of the State Superintendent of Education to continue its efforts to improve the student retention, persistence, and college graduation rate of program participants. The Committee acknowledges the challenges facing the students who do enroll in college to reach graduation. Data reveal that among program grantees, many students interrupt their enrollment or drop out entirely on their path to a degree, and just 41 percent graduate from college in 6 years. The Committee directs the State Superintendent to provide annual updates to the Committee of its efforts, including research findings, to enhance the retention, persistence, and graduation rates, including early awareness and readiness initiatives to promote academic college preparation, guidance, and other support mechanisms and partnerships. The Committee expects the program to work to improve its ability to meet its premise of a full return on investment wherein every program participant earns a college degree.

Because program costs have the potential of growing beyond a level for which increased Federal funding may be available and sustainable, the Committee directs the Mayor and the Office of the State Superintendent of Education to continue the use of effective cost containment measures and regularly report to Congress on the effects of these efforts. The Committee further directs the District to fully explore non-Federal sources of additional funds to augment the Federal investment to meet program needs. As specified in Public Law 106–98 which established the program, the Committee directs the Mayor to address any insufficiency in funding through ratable reductions and other adjustments or prioritization considerations based on the income and need of eligible students.

FEDERAL PAYMENT FOR EMERGENCY PLANNING AND SECURITY COSTS
IN THE DISTRICT OF COLUMBIA

Appropriations, 2010	\$15,000,000
Budget estimate, 2011	15,000,000
Committee recommendation	15,000,000

PROGRAM DESCRIPTION

Due to the fact that the District of Columbia is the seat of the Federal Government and headquarters of many international organizations, District police, fire, and emergency personnel have had to provide security for a number of events. As the need for the District of Columbia to provide security increases, overtime costs for personnel escalate and divert local police from neighborhood patrols. The complexity and costs associated with these events, including unique needs for crowd control, surveillance, and protection against unusual threats, are high and growing, and demand effec-

tive and efficient coordinated operations. The President has supported reimbursing the District for these costs.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$15,000,000, for the District of Columbia for the costs of providing public safety at events related to the presence of the national capital in the District of Columbia, for the costs of providing support requested by the United States Secret Service Division in carrying out their protective duties under the direction of the Secretary of Homeland Security, and for the costs of providing support to respond to immediate and specific terrorist threats or attacks in the District of Columbia or surrounding jurisdictions. This is the same as the fiscal year 2010 enacted level and the same as the budget request.

In addition, the District may use any funds remaining from prior year appropriations under this heading. The District may use the payment to cover the costs of Executive transportation support including motorcades and helicopter landings. The Committee directs the District of Columbia to submit a detailed budget justification with its funding request for fiscal year 2012. The Committee further directs the District of Columbia to submit, within 60 days of the end of fiscal year 2011, a report to the House and the Senate Committees on Appropriations detailing the purposes and amounts expended using the funds, particularly noting any deviation from the original proposed spending.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA COURTS

Appropriations, 2010	\$261,180,000
Budget estimate, 2011	247,400,000
Committee recommendation	258,351,000

PROGRAM DESCRIPTION

Under the National Capital Revitalization and Self-Government Improvement Act of 1997 (Public Law 105-33, title XI), the Federal Government is required to finance the District of Columbia Courts. This Federal payment to the District of Columbia Courts funds the operations of the District of Columbia Court of Appeals, Superior Court, the Court System, and the Capital Improvement Program. Capital improvements include a complete restoration of the historic Old Courthouse, as well as design and renovation work on the H. Carl Moultrie I Courthouse and several other buildings as part of a master plan for Judiciary Square. By law, the annual budget includes estimates of the expenditures for the operations of the Courts prepared by the Joint Committee on Judicial Administration as well as the President's recommendation for funding the Courts' operations.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment to the District of Columbia Courts of \$258,351,000, which is \$2,829,000 below the fiscal year 2010 enacted level and \$10,951,000 above the President's budget request. This amount includes \$12,998,000 for the Court of Appeals, \$110,149,000 for the Superior Court, \$65,554,000

for the Court System, and \$69,650,000 for capital improvements to courthouse facilities.

The Committee recommendation for the District of Columbia Court System is \$301,000 above the President's recommended funding of \$65,253,000, and will permit the Court System to pursue priority initiative to maintain a strong judiciary and workforce through enhanced recruitment, productivity, training, and staff development improvements.

The Committee recommendation for capital improvements provides \$10,650,000 above the President's recommendation of \$59,000,000 to support continued implementation of the Facilities Master Plan, particularly renovation of space in the Moultrie Courthouse for the Court Reporting and Recording Division and completion of the security perimeter to ensure public safety in the Historic Courthouse and other newly renovated court buildings in Judiciary Square.

The Committee supports the Courts' request to maintain the current level of funds available for its official reception and representation purposes. These resources enable the Courts to meet various community outreach responsibilities including supporting legal education in the District of Columbia as the home of six law schools; work with the D.C. Bar committees; and host the significant number of international guests who visit the D.C. Courts to learn about legal systems in democratic societies. The Committee acknowledges that the current amount of the Courts' reception and representation funds is commensurate with small Federal agencies and considerably less than the comparative representation funds available to other District officials.

DEFENDER SERVICES IN DISTRICT OF COLUMBIA COURTS

Appropriations, 2010	\$55,000,000
Budget estimate, 2011	55,000,000
Committee recommendation	55,000,000

PROGRAM DESCRIPTION

The District of Columbia Courts appoint and compensate attorneys to represent persons who are financially unable to obtain such representation. The Defender Services programs provide counsel for indigent persons who are charged with criminal offenses, for family proceedings involving child abuse, neglect, and termination of parental rights, and for guardianship proceedings for protection of mentally incapacitated individuals and minors whose parents are deceased.

In addition to legal representation, these programs provide indigent persons with services such as transcripts of court proceedings, expert witness testimony, foreign and sign language interpretation, and investigations and genetic testing.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$55,000,000 for Defender Services in the District of Columbia Courts. This is the same as the fiscal year 2010 enacted level and the same as the budget request.

To promote access to justice and ensure that high-quality legal representation remains available to the indigent in the District of Columbia Courts, in fiscal year 2008, Congress financed an hourly rate increase for attorneys to \$80 per hour and in fiscal year 2009, legislation was enacted to increase the hourly rate to \$90, to be phased in. Increased funding provided in fiscal year 2010 permitted the adjusted compensation rate to be fully instituted.

FEDERAL PAYMENT TO THE COURT SERVICES AND OFFENDER SUPERVISION AGENCY FOR THE DISTRICT OF COLUMBIA

Appropriations, 2010	\$212,408,000
Budget estimate, 2011	217,783,000
Committee recommendation	217,783,000

PROGRAM DESCRIPTION

The Court Services and Offender Supervision Agency [CSOSA] for the District of Columbia is an independent Federal agency created by the National Capital Revitalization and Self-Government Improvement Act of 1997 (Public Law 105-33, title XI). CSOSA acquired the operational responsibilities for the former District agencies in charge of probation and parole, and houses the Pretrial Services Agency within its framework. The mission of CSOSA is to increase public safety, prevent crime, reduce recidivism, and support the fair administration of justice in close collaboration with the community. The CSOSA appropriation supports the Community Supervision Program which monitors or supervises approximately 16,000 offenders on a daily basis and the Pretrial Services Agency which monitors approximately 5,309 defendants at any given time and in fiscal year 2009 placed more than 1,884 defendants into substance abuse treatment.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$217,783,000, which is \$5,375,000 above the fiscal year 2010 enacted level and the same as the budget request. Of this amount, \$61,311,000 is designated for the Pretrial Services Agency and \$156,472,000 is designated for the Community Supervision Program. The Committee notes that \$1,000,000 of the resources recommended for the Pretrial Services Agency will support planning, design, and relocation of the Pretrial Services Agency Forensic Toxicology and Drug Testing Laboratory.

The Committee is supportive of CSOSA's efforts to successfully return ex-offenders to their communities. For a number of years, CSOSA has worked with grassroots, nonprofit providers of transitional housing, including faith-based organizations, that offer counseling, mentoring, and life skills training to men and women returning home from prison. The Committee notes that this is a model program for the Nation.

The Committee is encouraged that the Pretrial Services Agency reduced caseloads in the general supervision unit from 82 per officer in fiscal year 2008 to 76 to per officer in fiscal year 2009. The Committee is concerned that even with the proposed budget increase, funding for CSOSA for offender contract treatment, including substance abuse, halfway-back residential sanctions, mental

health and sex offender assessments, and transitional housing is constrained.

The Committee commends the collaborative efforts of the Community Supervision Program to partner with the District of Columbia Government, the United States Parole Commission, and the Bureau of Prisons to implement the Secure Residential Treatment Program pilot. This program aims to provide a secure, residential substance abuse treatment intervention/sanction alternative to high-risk, chronic substance abusing and criminally involved male D.C. code offenders in lieu of revoking them to Bureau of Prisons custody. The Committee encourages CSOSA to keep the Committee regularly informed of how well this program is meeting its goals of increasing offenders' chances of successful community reintegration and breaking the cycle of recidivism.

FEDERAL PAYMENT TO THE PUBLIC DEFENDER SERVICE FOR THE DISTRICT OF COLUMBIA

Appropriations, 2010	\$37,316,000
Budget estimate, 2011	40,690,000
Committee recommendation	40,690,000

PROGRAM DESCRIPTION

The Public Defender Service [PDS] for the District of Columbia, an independent organization established by a District of Columbia statute (16 D.C. Code 2-1601-1608), has a distinct mission to provide and promote quality legal representation services within the District of Columbia justice system. PDS provides legal representation to indigent adults and children facing loss of liberty and provides support in the form of training, consultation, and legal reference services to members of the local bar appointed as counsel in criminal, juvenile, and mental health cases involving indigent individuals.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment to the Public Defender Service for the District of Columbia of \$40,690,000, which is \$3,374,000 above the fiscal year 2010 enacted level and the same as the budget request. The increased funding will support continued progress on a new case management system as well as address inflationary increases in compensation and fixed costs. Furthermore, the recommended funding includes \$1,500,000 as a non-recurring increase for the costs associated with the acquisition, installation, and implementation of a state-of-the-art telephone system to replace the deteriorating and unreliable 11-year-old system.

The Committee provides authority in section 818 of the bill for the PDS to obtain professional liability insurance for its attorneys, staff, and board members. The Committee understands that the cost for such coverage can be met within the funding provided.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Appropriations, 2010	\$20,000,000
Budget estimate, 2011	25,000,000
Committee recommendation	25,000,000

PROGRAM DESCRIPTION

Approximately one-third of the District is served by a combined sewer system, constructed by the Federal Government in 1890, in which both sanitary waste and storm water flow through the same pipes. When the collection system or the Blue Plains treatment plant reach capacity, typically during periods of heavy rainfall, the system is designed to overflow the excess water. This mixture of sewage and storm water runoff is discharged to the Anacostia and Potomac Rivers, Rock Creek, and tributary waters between 60 and 75 times each year. Under a judicial consent decree, the Water and Sewer Authority is undertaking a 20-year, \$2,200,000,000 sewer construction program to reduce combined sewer overflows [CSO]. The program includes deep underground storage tunnels, side tunnels to reduce flooding, pump station rehabilitation, and the elimination of over a dozen CSO outfalls along the Potomac and Anacostia Rivers and Rock Creek. When completed in 2025, this project is expected to vastly improve water quality and significantly reduce debris in our Nation's capital waterways as well as improve the health of the Chesapeake Bay.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$25,000,000, to be matched by at least \$25,000,000 provided by the Water and Sewer Authority, to continue implementation of the Long-Term Combined Sewer Overflow Control Plan. This is an increase of \$5,000,000 above the fiscal year 2010 enacted level and the same as the budget request.

FEDERAL PAYMENT TO THE CRIMINAL JUSTICE COORDINATING COUNCIL

Appropriations, 2010	\$2,000,000
Budget estimate, 2011	1,800,000
Committee recommendation	1,800,000

PROGRAM DESCRIPTION

The Criminal Justice Coordinating Council for the District of Columbia [CJCC] is the primary forum in which District of Columbia criminal justice agencies can identify and address interagency coordination issues. Its mission is to address coordination difficulties among District of Columbia criminal justice agencies and address criminal justice issues, such as illegal drugs, juvenile justice, halfway houses, information technology, and identification of arrestees.

The CJCC was originally established pursuant to a memorandum of agreement in May 1998 and operates as an independent working group to foster cooperation among the more than a dozen Federal and local governmental agencies which have law enforcement responsibility in our Nation's capital. As part of a local enactment in August 2001, the CJCC was established as an independent agency within the District of Columbia.

The CJCC maintains the Justice Integrated Information System [JUSTIS] using technology that allows for the seamless sharing of information at critical decision points throughout the justice system. JUSTIS connects Federal agencies, the District government,

and court information systems, so that criminal activity can be easily monitored across an array of participating agencies. Agencies currently using JUSTIS include the Metropolitan Police Department, the D.C. Department of Corrections, D.C. Superior Court, the U.S. Park Police, the U.S. Capitol Police, the U.S. Bureau of Alcohol, Tobacco, Firearms, and Explosives, the Pretrial Services Agency, CSOSA, the U.S. Attorney’s Office for the District of Columbia, and the D.C. and Maryland Public Defenders Service. No other system provides this range of access to Federal and local information in the District.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$1,800,000 to the Criminal Justice Coordinating Council [CJCC]. This is \$200,000 below the fiscal year 2010 enacted level and the same as the budget request.

Among the array of activities that the recommended Federal payment will support during fiscal year 2011 are enhancing the JUSTIS information system’s report development, review, and approval capabilities; supporting the GunStat initiative; improved sharing of information on mental health and substance abuse to redirect persons to necessary support services; supporting record management, court-based release, court processing and papering reforms; developing clear business processes to help reduce the number of outstanding warrants; and providing a comprehensive approach to truancy prevention.

The Committee directs the CJCC to submit annual performance measures in an annual report to accompany the fiscal year 2012 budget justification, which should also describe progress made on individual CJCC initiatives.

FEDERAL PAYMENT FOR JUDICIAL COMMISSIONS

Appropriations, 2010	\$500,000
Budget estimate, 2011	500,000
Committee recommendation	500,000

PROGRAM DESCRIPTION

The Commission on Judicial Disabilities and Tenure provides support to the District of Columbia Court of Appeals and Superior Court through reviewing and investigating allegations of judicial misconduct. The Judicial Nomination Commission recommends candidates to the President of the United States for nomination to judicial vacancies in these courts. In accordance with the National Capital Revitalization and Self-Government Improvement Act of 1997 (Public Law 105–33), the Federal Government is responsible for financing of the District of Columbia Courts, including the operations of the District of Columbia Court of Appeals, Superior Court, the Court System, and the Capital Improvement Program. Although independent of the Courts by design, these two Commissions provide important functions within the judicial branch of local government in the District of Columbia.

COMMITTEE RECOMMENDATION

The Committee provides \$500,000 as a Federal payment for the judicial commissions, of which \$295,000 is designated for the Judicial Nomination Commission and \$205,000 is designated for the Commission on Judicial Disabilities and Tenure. This amount is the same as the fiscal year 2010 enacted level and the same as the budget request. The Committee continues to support the rationale of recognizing these commissions as local judicial branch agencies for which Federal support for the operations is necessary.

FEDERAL PAYMENT TO THE OFFICE OF THE CHIEF FINANCIAL OFFICER OF THE DISTRICT OF COLUMBIA

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2010	\$1,850,000
Budget estimate, 2011	
Committee recommendation	1,000,000

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$1,000,000 to the Office of the Chief Financial Officer of the District of Columbia. This is \$850,000 below the fiscal year 2010 enacted level and \$1,000,000 above the budget request. These funds are for health, education, environmental, social service, and economic development initiatives in the District of Columbia. The Committee directs that of this amount, \$1,000,000 shall be transferred to the Children’s National Medical Center [CNMC] in Washington, DC.

The Committee expects the funds to be a Federal contribution toward meeting the growing demand for cardiac critical care. The current complement of 45 critical care beds, including 13 cardiac intensive care beds, is no longer sufficient to meet demands. Over the past year, critical care capacity, including cardiac, has consistently exceeded 100 percent capacity, well beyond occupancy levels to support planning levels to support contingency requirements. To address the growing demand for critical intensive care services, the Children’s National Medical Center plans to renovate an unoccupied unit of the third floor of the main hospital. The space will be transformed into a new 26–28 bed Cardiac Intensive Care Unit [CICU]. Once this CICU is relocated, the Pediatric Intensive Care [PICU] will increase beds to build to a 35 bed unit.

The Committee is supportive of the CNMC and the critical services it provides to the District of Columbia’s children and families. Founded in 1870 as a small community hospital to treat children orphaned by the Civil War, CNMC has grown into an internationally recognized team of more than 5,000 pediatric healthcare professionals serving children regionally, nationally, and internationally.

As the single largest provider of pediatric services in the District of Columbia, CNMC touches the lives of more than 600,000 children annually. From serving as the medical home for the District’s children in foster care through its DC KIDS program to employing all the nurses in over 160 District public and public charter schools, CNMC is an integral part of the fabric of the District of Columbia.

The Committee directs CNMC as a grantee of funding under this account to submit a detailed budget and a comprehensive description of the activities to be carried out with the funds no later than March 1, 2011 to the Chief Financial Officer and the Committees on Appropriations. The Committee further directs that any funds made available to the grantee under this account must be spent primarily in the District of Columbia to benefit District of Columbia residents.

FEDERAL PAYMENT FOR SCHOOL IMPROVEMENT

Appropriations, 2010	\$75,400,000
Budget estimate, 2011	52,400,000
Committee recommendation	52,400,000

PROGRAM DESCRIPTION

The Committee continues its commitment to improving educational opportunities for the children of the District of Columbia. For the past 8 fiscal years, Congress has supported a three-sector funding arrangement to provide Federal resources for the District of Columbia Public Schools, public charter schools, and for a scholarship program for low-income students to attend private schools. The Committee is encouraged by the progress to date to implement the Mayor’s initiative to chart a new management course for the District’s troubled public school system in response to Public Law 110–33, which vested authority over the school superintendent, operating budget, and capital program in the Mayor beginning in 2007.

The Committee acknowledges the daunting challenges this undertaking presents, given that District of Columbia public school students chronically performed well below national averages in reading and mathematics. The Committee commends the progress that has been made over the past 3 years under the leadership of the Chancellor to streamline bureaucracy, recruit new principals, expand course offerings available to students, and raise math and reading test scores. The Committee is further encouraged by the ratification of an innovative teacher compensation system that has the potential to attract and retain excellent teachers in District public schools.

Public charter schools in the District of Columbia have grown considerably since the first two opened in 1996 and served 160 students. Today, there are 57 tuition-free, autonomous public charter schools on 99 campuses operating in the District, enrolling approximately 28,000 students, over 38 percent of all District of Columbia public school students. The District of Columbia School Reform Act of 1995 (Public Law 104–134), one of the strongest charter school laws in the Nation, guarantees charter school autonomy from the District of Columbia Public Schools and from the District government and mandates uniform per student funding of all public school students, both traditional and charter.

Congress established the private school scholarship (voucher) program as a 5-year pilot in 2003. The intent of this program is to help increase the District of Columbia’s capacity to provide parents, particularly low-income parents whose children attend low-performing schools, more options for quality education. In school

year 2009–2010, 1,319 students participated in the program and were enrolled at 45 nonpublic schools.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$52,400,000, which is \$23,000,000 below the fiscal year 2010 enacted level and the same as the budget request. These funds are allocated as follows: \$23,000,000 for the District of Columbia Public Schools to improve public school education; \$20,000,000 to expand quality charter schools; and \$9,400,000 to the Secretary of Education for opportunity scholarships for low-income students in the District of Columbia.

District of Columbia Public Schools

The Committee recommends a Federal payment of \$23,000,000 as a contribution to the aggressive overhaul underway within the District of Columbia Public Schools. These Federal resources are designed to support and build upon initiatives supported in prior fiscal years. In addition, the Committee recommends an additional one-time payment of \$20,000,000 as set forth under the heading “Federal Payment to Jump Start Public School Reform” within this title, for a combined total funding level of \$43,000,000 for public school improvement.

For fiscal year 2011, the Committee expects that, of the total Federal funds made available, \$31,800,000 be devoted to investments in human capital, specifically the master educators and IMPACT educator effectiveness assessment system for teachers, new teacher induction and mentoring, innovative compensation structures to attract and retain high performing educators, school-based incentives to recognize team-driven high achievement, and fellowship programs to attract high achievers in urban education innovation; \$4,750,000 be designated to build effective and innovative schools through expansion of the comprehensive staffing model instituted in school year 2008–2009 to staff schools with social workers, counselors, psychologists, literacy professional developers, mathematics coaches, and other integrated services providers to improve the academic and socio-emotional outcomes for students; make further investments in early childhood education by creating more pre-school and pre-kindergarten classrooms to serve more students; grow the initial cohort of partnership schools to help turn around secondary schools that demonstrate a substantial need for outside management and resources; and support continued activities in conjunction with the Capital Gains joint venture with Harvard University EdLabs; \$5,250,000 be invested to empower schools to make data-driven decisions, specifically to expand the benchmark assessment system to diagnose extent of student mastery of subjects, to augment instruction through individualized secondary reading and mathematics interventions and elementary literacy assessment and interventions, and school-based data capacity building through district-wide implementation of protocols under the achievement network model; \$700,000 be used to address alarmingly low graduation rates by expanding the successful City Year Whole School Whole Child Program; and \$500,000 be used for engaging the community to increase student achievement through

various programs including school scorecards, a Parent Academy, and a Parent Assistant data portal for online access to student information.

The Committee directs the District of Columbia Public Schools to submit a detailed spending plan outlining specific activities no later than 60 days after enactment of this act and that this spending plan should contain a particular emphasis on the recruitment and retention of a high-quality teacher and principal workforce in District public schools.

The District has 11,000 special needs students for whom the District must provide or secure educational services. District taxpayers currently spend \$200,000,000 each year on private school tuition and transportation costs for more than 2,300 of these special needs students, one-fifth of all special needs students, that the public schools are unable to serve. The District of Columbia is required to comply with a Federal court-ordered consent decree entered in 2006 to settle a 9-year class action lawsuit brought by parents of special needs children. Under the judicial consent decree, the District is required to reduce its backlog of cases on placement assessments for individual special needs students, fix its long-broken data management system that makes it difficult for parents to access their children's files, and hire more special needs staff. As part of the increased Federal funds provided for the District of Columbia Public Schools for fiscal year 2011 in this bill, the Committee expects the District to make substantial progress in achieving compliance with the consent decree, eliminating inadequacies in treatment and support for special needs students, and establishing more inclusive learning environments for these students within the District of Columbia Public Schools system.

District of Columbia Public Charter Schools

With respect to the recommended Federal payment of \$20,000,000 for fiscal year 2011, the Committee directs the District of Columbia Public Charter School Board to submit to Congress, through the Office of the State Superintendent of Education [OSSE], a detailed spending plan outlining specific activities no later than 60 days after enactment of this act. This spending plan should particularly emphasize enhancing the academic quality of existing charter schools, expanding the capacity of high-performing charter schools, and instituting a robust performance management system to help identify low-performing schools and close them. The Committee expects that funding provided for charter schools will be used in accordance with the plan submitted.

The Committee is encouraged by the work being done by the District of Columbia Public Charter School Board to enforce a high standard of academic quality for all District charter schools. Assessments indicate that students enrolled in District of Columbia middle and high public charter schools with a majority of economically-disadvantaged students are nearly twice as likely to be proficient in reading and math as their peers in the District's traditional public schools. The high school graduation rate for D.C. public charter schools is 24 percentage points higher than at regular D.C. public schools and 8 percentage points higher than the U.S. national average. Despite these noted successes, the Committee

recognizes that the test scores of some of the charter schools are unacceptably low and calls on the District of Columbia Public Charter School Board to demand improvement on a timely basis, reform, or close these failing charter schools. As nationally recognized model of school accountability, the D.C. Public Charter School Board rejects two public charter school applications for every one it accepts. The Board monitors public charter schools to guarantee academic achievement, managerial competence, and financial health. The Board conducts a high stakes review of each school every 5 years. The Committee urges the Board's continued vigilance and prompt consideration of charter revocation for those schools determined to be underperforming academically.

Results of a national study conducted by Ball State University released in May 2010 found that charter schools in the District of Columbia received 41 percent less funding than the District of Columbia Public Schools [DCPS]. According to the findings, focused on the 2006–2007 school year, charter schools received \$17,525 per pupil compared to \$29,808 per pupil for DCPS, a difference of \$12,283 per pupil. District public charter schools educated 25.6 percent of the District's students during the period studied, but the charter schools received only 16.8 percent of the total education funding.

Over the years, public charter schools have moved into and revitalized former DCPS school buildings that otherwise would have been developed into condominiums or used for other commercial purposes. These buildings, including several historic structures, often long-abandoned and severely blighting neighborhoods, have been converted to public charter schools.

The Committee further notes that the public charter schools have been permitted to enter into negotiations to acquire only a handful of the school buildings declared surplus by the Mayor and Chancellor. It is evident to the Committee that the District of Columbia continues its long-standing practice of ignoring the public charter schools' right of first offer on surplus school buildings as outlined in the District of Columbia School Reform Act of 1995 (Public Law 104–134). The Committee notes that this right applies to all school buildings no longer needed by DCPS, including ones in which the District of Columbia government would rather locate government agencies or use for economic development or other purposes. The Committee directs the Mayor of the District of Columbia to submit to the Committees on Appropriations, as part of the fiscal year 2012 Federal payment budget justification materials, a detailed fiscal year 2012–2016 public education facilities plan that will ensure public charter school access to surplus or underutilized DCPS space.

Finally, the Committee reminds the government of the District of Columbia that students in public charter schools are to have access to the same publicly funded services that are offered to students in traditional public schools. These include school nurses, School Resource Officers, crossing guards, and mental health and other wrap-around services.

Opportunity Scholarship Program

The Committee supports the budget request and recommends a Federal payment of \$9,400,000 for the District of Columbia Opportunity Scholarship Program. This will allow private school vouchers for those students currently enrolled in the program. Based on current program participation rates, historic attrition rates (averaging 17 percent since 2005–2006), and the amount of available program funding carried forward from prior fiscal years (including the \$12,200,000 provided for school year 2010–2011 in the fiscal 2010 enacted bill), it is expected that the funds recommended for fiscal year 2011 will be the final installment of Federal funding to support this program. Any funds in this account not used in the 2010–2011 school year will be available for future years to provide scholarships to the current cohort of students, until such time as all the remaining students graduate from high school.

The Committee believes that any school enrolling a scholarship participant under the Opportunity Scholarship Program should satisfy certain minimum reasonable expectations as an educational setting. Therefore, the Committee continues to expressly provide that none of the funds provided for opportunity scholarships shall be used by an eligible student to enroll in any participating school under the D.C. School Choice Incentive Act of 2003 (Public Law 108–199) unless (1) the participating school has and maintains a valid certificate of occupancy issued by the District of Columbia; (2) the core subject matter teachers of the eligible students hold 4-year bachelor's degrees; and (3) schools enrolling scholarship students are in compliance with the accreditation and other standards prescribed for purposes of the District of Columbia compulsory school attendance laws. The Committee directs that the Secretary of Education ensure that site inspections of participating schools are conducted at least twice annually.

In 2009, the Department of Education concluded a 5-year evaluation of the program, including a 3-year analysis that measured impacts on student academic achievement. The first 2 years of impact data showed that students offered a scholarship made no significant gains overall on either reading or math achievement compared to students not offered a scholarship. The third-year analysis showed that students offered a scholarship continued to make no significant gains in math, but certain subgroups of students performed at statistically higher levels in reading, equivalent to about three additional months of instruction. Evaluators issued an assessment in June 2010 that indicated that after 4 years, overall reading and math scores were not significantly different for scholarship students than the control group. There was no significant impact for students who came from schools classified as “in need of improvement,” male students, and students who entered with low levels of academic performance. Parents reported higher levels of satisfaction with voucher schools, but students did not rate their schools any higher in quality or safety than their peers in public schools. The findings noted that voucher students were more likely to graduate.

FEDERAL PAYMENT TO JUMP START PUBLIC SCHOOL REFORM

Appropriations, 2010	
Budget estimate, 2011	\$20,000,000
Committee recommendation	20,000,000

PROGRAM DESCRIPTION

With the enactment of Public Law 110–33, providing the Mayor of the District of Columbia with authority over and accountability for the budget and administrative functions of the District of Columbia school system, the District of Columbia has launched an aggressive and comprehensive reform of its severely challenged public school system. Under the direction of the Chancellor of the District of Columbia Public Schools, a multitude of critical initiatives are underway. A one-time Federal contribution to support those efforts will support the recruitment and training of principals and other school leaders; the development of optimal school programs; and the enhancement of the District’s data reporting capabilities.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$20,000,000 to jump start public school reform in the District of Columbia during fiscal year 2011. This is an increase of \$20,000,000 above the fiscal year 2010 enacted level and the same as the budget request. This payment is in addition to funds provided for public school reform under the “Federal Payment for School Improvement” account within this title. The funds will augment the resources devoted to a wide variety of reforms, including the aggressive recruitment and retention of high performance teachers, principals, and administrators through assessment systems and programs that incentivize quality teaching. The funds will also be devoted to measures to build effective and innovative schools, empower schools to make data-driven decisions, increase student achievement and college attendance, and enable schools to better engage with parents and the broader community.

The Committee directs the District to submit, within 60 days of enactment, a comprehensive spending plan to the Committees on Appropriations of the House of Representatives and the Senate detailing how the funding provided will be allocated and explaining what performance measures will be used to evaluate the success of the outcomes from these enhanced Federal investments.

FEDERAL PAYMENT FOR CONSOLIDATED LABORATORY FACILITY

Appropriations, 2010	\$15,000,000
Budget estimate, 2011	
Committee recommendation	

PROGRAM DESCRIPTION

The District’s forensics laboratory capacity has not kept pace with the innovations in the field and is therefore unable to meet the demands of the current workload. As a result, the District is forced to seek help from the FBI crime laboratory in Quantico, Virginia and other Federal agencies. Because the FBI has its own

workload capacity, it strictly limits the evidence it will process for the District in violent crime cases.

The lack of capacity and outmoded technology have led to many so-called “cold” or unsolved crime cases in the District. The District of Columbia Metropolitan Police Department [MPD] has a backlog of thousands of sexual assault and homicide cases, and the volume continues to grow. Approximately 30 percent of the FBI’s DNA analysis is casework from MPD. Further, the Drug Enforcement Agency performs all of MPD’s drug analysis on controlled dangerous substances, and the Bureau of Alcohol, Tobacco, Firearms and Explosives has tested approximately 100 arson cases on behalf of the District.

Construction is underway to build a new comprehensive laboratory, housing both anti-terrorism and criminal forensic components under one roof. This facility, scheduled for completion and occupancy in 2012, will not only allow the District to more effectively and efficiently process crime cases, but it will be an essential element in processing evidence associated with potential bioterrorism attacks.

COMMITTEE RECOMMENDATION

The Committee supports the budget request that recommends no additional Federal payment for the costs associated with completing the construction of a new comprehensive laboratory facility in the District of Columbia. The Committee notes that in the period spanning fiscal years 2006–2010, Congress provided over \$58,000,000 in Federal matching payments to augment local investments and that the Federal payment in fiscal year 2010 was the final payment for this project. When completed, the facility will provide services to all agencies within the borders of the District. United States Capitol Police, United States Park Police, and the United States Secret Service all submit evidence to the District’s Firearms Unit, which will be housed in the consolidated lab. The public health lab portion of the facility will allow the District to join the national Laboratory Response Network.

FEDERAL PAYMENT FOR THE D.C. NATIONAL GUARD

Appropriations, 2010	\$375,000
Budget estimate, 2011	2,000,000
Committee recommendation	1,375,000

PROGRAM DESCRIPTION

The fiscal 2011 budget request seeks a Federal payment of \$2,000,000 for the D.C. National Guard’s D.C. Government Operations. The D.C. National Guard is a Federal, rather than a local, entity and responds to orders of the President of the United States who is the Commander-in-Chief of the D.C. National Guard pursuant to law [District of Columbia Official Code § 49–409 and Executive Order No. 11485 (October 1, 1969)]. Unlike a governor of a State, the Mayor is not authorized to deploy the National Guard under any circumstances. The District of Columbia National Guard is specifically trained to support law enforcement during critical missions, such as demonstrations, Presidential inaugurations and funerals, and emergency services for weather-related contingencies.

The D.C. Air Guard patrols the skies over the District on round-the-clock alert. However, residency restrictions preclude a significant number of Guard members from eligibility for tuition assistance programs, which has severely hampered recruitment and retention efforts.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$1,375,000 for the D.C. National Guard. Of this amount, \$375,000 is designated for the Major General David F. Wherley, Jr. District of Columbia National Guard Retention and College Access Program, a tuition assistance program for nonresident District of Columbia National Guard members, and \$1,000,000 is a Federal contribution to offset local funds used to support the Guard’s Joint Force Headquarters and operational support staff and the ChalleNGe remedial at-risk youth program that targets unemployed, drug-free, and law-free high-school dropouts to instill values, skills, education, and self-discipline necessary to succeed as adults.

FEDERAL PAYMENT FOR HOUSING FOR THE HOMELESS

Appropriations, 2010	\$17,000,000
Budget estimate, 2011	10,000,000
Committee recommendation	10,000,000

PROGRAM DESCRIPTION

Under the Housing First Initiative, the District of Columbia has begun to transform the delivery of homeless services from an approach that simply meets the survival needs of individuals with blankets and shelter to a system designed to move chronically homeless individuals to permanent supportive housing with tightly linked support services. In fiscal year 2010, Congress provided a Federal payment of \$17,000,000 to help boost the local intensive case management and scattered-site housing program through support for the costs of rent, utilities, and case management. For fiscal year 2011, a Federal payment of \$10,000,000 was requested to help respond to the particularly acute incidence of homelessness among veterans. The resources requested would support the development of two centrally located, site-based properties, yielding at least 120 homes for chronically homeless clients.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$10,000,000 to support the development of two centrally located site-based permanent supportive housing initiatives in the District of Columbia.

FEDERAL PAYMENT FOR RECONNECTING DISCONNECTED YOUTH

Appropriations, 2010	\$4,000,000
Budget estimate, 2011	
Committee recommendation	

PROGRAM DESCRIPTION

For fiscal year 2010, Congress provided a one-time Federal payment of \$4,000,000 to support a local initiative designed to significantly reduce the number of young people in the District of Colum-

bia who are currently not connected to positive work or school activities or who are at risk of becoming disconnected from these critical influences. The District of Columbia proposed to use the Federal funds to support a local investment in new neighborhood-based service coalitions to expand opportunities to youth and families by engaging community-based organizations in the neighborhoods where the youths reside and building the capacity of neighborhoods to serve their residents.

COMMITTEE RECOMMENDATION

The fiscal year 2011 budget did not request and the Committee does not recommend a Federal payment to the District of Columbia for reconnecting disconnected youth.

FEDERAL PAYMENT FOR REDEVELOPMENT OF THE ST. ELIZABETHS HOSPITAL CAMPUS

Appropriations, 2010 .....	.....
Budget estimate, 2011	\$2,000,000
Committee recommendation	2,000,000

PROGRAM DESCRIPTION

St. Elizabeths, established by Congress in 1855 as the Government Hospital for the Insane and officially renamed as St. Elizabeths Hospital in 1916, is presently divided into two campuses. The West Campus, owned by the Federal Government and under the custody and control of the General Services Administration, will be the new headquarters for the Department of Homeland Security. The East Campus, owned by the District of Columbia, is still in use as a mental health facility. The fiscal year 2011 budget request seeks a new Federal payment of \$2,000,000 to support various redevelopment planning activities on the East Campus to stimulate economic and community revitalization in tandem with the transformation of the West campus property.

COMMITTEE RECOMMENDATION

The Committee supports the proposed request and recommends a Federal payment of \$2,000,000 to the District of Columbia for the St. Elizabeths Hospital East Campus redevelopment planning. The Committee directs the District of Columbia to submit to the Committees on Appropriations a detailed spending plan for the use of the funds not later than 45 days after enactment of the fiscal year 2011 appropriation.

FEDERAL PAYMENT FOR HIV/AIDS PREVENTION

Appropriations, 2010 .....	.....
Budget estimate, 2011	\$5,000,000
Committee recommendation	3,000,000

PROGRAM DESCRIPTION

The District of Columbia is facing a daunting HIV epidemic. Based on the national HIV/AIDS case based reporting system, the District currently has the highest AIDS rate in the country, nearly twice as high as New York City and five times as high as Detroit. Estimates based on surveillance numbers suggest that between 3

and 5 percent of the adult residents in the District are currently living with HIV or AIDS, and HIV/AIDS is the leading cause of premature mortality in the city. The fiscal year 2011 budget request seeks a new Federal payment to bolster existing prevention, care, and support services on a city-wide basis to reduce the incidence of HIV and AIDS in the District of Columbia.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$3,000,000 to support and scale-up community-level prevention interventions and services, partner services to identify those at highest risk of recent infection, reestablish care, treatment, and prevention for those who have fallen out of care, and provide housing supports for persons living with AIDS.

DISTRICT OF COLUMBIA FUNDS

The Committee recommends a total of \$10,306,904,000 for the operating expenses of the District of Columbia as contained in the fiscal year 2011 budget submitted to the Congress by the government of the District of Columbia on July 1, 2010. Of the total, \$5,788,584,000 is from local funds, \$2,611,497,000 is from Federal grant funds, \$1,899,946,000 is from other funds, and \$6,877,000 is from private funds. The Committee further recommends an additional \$167,175,000 in appropriated Federal payments as set forth under this title. The Committee directs that any changes to the financial plan as submitted by the District must follow the re-programming guidelines.

TITLE V
INDEPENDENT AGENCIES

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

SALARIES AND EXPENSES

Appropriations, 2010	\$1,500,000
Budget estimate, 2011	3,200,000
Committee recommendation	3,200,000

PROGRAM DESCRIPTION

The Administrative Conference of the United States [ACUS] is a newly reauthorized independent agency and advisory committee that was created to study administrative processes in order to recommend improvements to Congress and agencies.

COMMITTEE RECOMMENDATION

The Committee recommends \$3,200,000 for ACUS, equal to the budget request and \$1,700,000 above the fiscal year 2010 enacted level. The Committee is pleased that ACUS utilized carryover funds to begin its operations in fiscal year 2010. The Committee expects to be regularly apprised of ACUS activities and looks forward to reviewing a comprehensive Congressional Justification for the fiscal year 2012 budget concurrent with the President's budget submission.

CHRISTOPHER COLUMBUS FELLOWSHIP FOUNDATION

SALARIES AND EXPENSES

Appropriations, 2010	\$750,000
Budget estimate, 2011	750,000
Committee recommendation	750,000

PROGRAM DESCRIPTION

The Christopher Columbus Fellowship Foundation is an independent agency established by Congress in 1992 (Public Law 102–281) to encourage and support research, study, and labor designed to produce new discoveries in all fields of endeavor for the benefit of mankind. Its mission is accomplished through the sponsorship of national competitions designed to promote innovation in the fields of homeland security, life sciences, and education. Through its Frontiers of Discovery—Work in Progress and Discover the Future programs, the agency recognizes cutting edge innovations of worthy American scientists, student inventors, and exemplary teachers who inspire despite especially challenging educational environments or personal physical disabilities.

The Committee acknowledges that initial funding for the Christopher Columbus Fellowship Foundation was derived from the sale of three denominations of specially minted coins sold by the United States Mint from August 1992 through June 1993. Revenues from the coin sales surcharges were deposited in the Christopher Columbus Fellowship Fund at the Department of the Treasury, and made available to the Foundation. To address the fact that the coin sales revenues had been depleted, Congress authorized funding for the Christopher Columbus Fellowship Foundation in the Omnibus Appropriations Act, 2009 (Public Law 111–8).

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$750,000 for the Christopher Columbus Fellowship Foundation. This is the same as the fiscal year 2010 enacted level and \$750,000 above the budget request.

COMMODITY FUTURES TRADING COMMISSION

SALARIES AND EXPENSES

Appropriations, 2010	\$168,800,000
Budget estimate, 2011	261,000,000
Committee recommendation	286,000,000

PROGRAM DESCRIPTION

The Commodity Futures Trading Commission [CFTC] was established as an independent agency by the Commodity Futures Trading Commission Act of 1974 (88 Stat. 1389; 7 U.S.C. 4a).

The Commission administers the Commodity Exchange Act, 7 U.S.C. section 1, et seq. The 1974 Act brought under Federal regulation futures trading in all goods, articles, services, rights, and interests; commodity options trading; and leverage trading in gold and silver bullion and coins; and otherwise strengthened the regulation of the commodity futures trading industry. It established a comprehensive regulatory structure to oversee the volatile futures trading complex.

The CFTC is the sole Federal regulator responsible for overseeing the futures markets by encouraging competitiveness and efficiency, ensuring market integrity, and protecting market participants against manipulation, abusive trading practices, fraud, and other unscrupulous activities. Effective oversight by the CFTC enables the markets to better serve their designated functions of providing a price discovery mechanism and a means to offset price risk.

Programs in support of the overall mission include market surveillance analysis and research; registration, audits, and contract markets; enforcement; reparations; proceedings; legal counsel; agency direction; and administrative support services. CFTC activities are carried out in Washington, DC and in regional offices located in Chicago, New York City, and Kansas City.

The enacted 2008 farm bill (Public Law 110–246) reauthorized the CFTC and made several amendments to the Commodity Exchange Act to (1) clarify the CFTC’s jurisdiction over retail financial contracts based on foreign currencies; (2) make the CFTC’s

anti-fraud authority applicable to certain off-exchange or over-the-counter derivatives contracts; (3) increase civil monetary and criminal penalties for violations; (4) permit cross-margining of accounts in security futures and options; and (5) establish CFTC regulation over certain exchange-like trading facilities that are currently exempt from most regulation.

Under the recently-enacted Dodd-Frank Wall Street and Consumer Protection Act (Public Law 111-203), the CFTC faces the daunting task of regulating the \$300 trillion over-the-counter derivatives market. New mandates for the CFTC include reviewing all swaps to determine whether the swap is exempt from the mandatory clearance requirement; requiring real-time reporting for all swaps; adopting rules for imposing capital and margin requirements on all non-cleared swaps; exercising dual regulatory authority, in conjunction with the SEC, over mixed swaps; promulgating rules defining the universe of swaps that can be executed on a swap execution facility; and exercising backstop enforcement authority if prudential regulators do not act after notification of a perceived violation.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$286,000,000 for the Commodity Futures Trading Commission. This is \$117,200,000 above the fiscal year 2010 enacted level and \$25,000,000 above the total budget request which included \$216,000,000 in base funding, plus \$45,000,000 in contingent funding tied to enactment of financial regulatory reform. The Committee supports the need for significantly increased resources for the CFTC to ensure appropriate oversight of the futures markets, which are expanding steadily in volume and new users, and rapidly evolving in their complexity and diversity.

Additional authorities provided through enactment of the 2008 farm bill (Public Law 110-246), coupled with escalating public concern about record energy and agricultural commodity prices, and compounded by a growing influx of financial funds into the futures markets, make the CFTC's staffing situation unsustainable. These combined factors underscore the importance of the Committee's recommended funding increase. Moreover, the CFTC faces an exponential increase in its regulatory and surveillance workload under the Wall Street financial regulatory reform law (Public Law 111-203). This comprehensive enactment extends CFTC's authority to over-the-counter derivatives markets. The Committee directs the CFTC to submit, within 30 days of enactment, a detailed spending plan for the allocation of the funds made available, including staffing projections and planned investments in information technology.

The Committee further emphasizes the need for CFTC to make mission-critical investments in technology to sort through the millions of pieces of information generated daily by markets, much of it electronic. Proper oversight of markets requires transparency. The backbone of the CFTC's market surveillance program is the large trader reporting system. The amount and detail of trade data collected and analyzed at the CFTC is unprecedented among regulatory financial agencies.

The Committee is pleased that the CFTC is taking steps to improve the transparency of market data to better inform market participants and the public.

At the Committee’s direction, the GAO reviewed and assessed the joint report issued in October 2009 by the CFTC and the Securities and Exchange Commission [SEC] on harmonization of their regulatory approaches. The Committee urges the CFTC, in collaboration with the SEC, to heed the recommendation of the GAO that the agencies take steps to establish, with associated timeframes, clearer goals for future harmonization efforts and requirements for reporting and evaluating progress toward these goals. The Committee underscores that the joint report issued in October 2009 did not address the issue of gaps in the agencies’ authorities to oversee over-the-counter derivatives, which were the subject of congressional deliberation at the time. With the enactment of Public Law 111–203, it is all the more critical to identify these gaps and ensure optimum harmonization in executing the respective oversight responsibilities of each agency with respect to over-the-counter derivative products. The Committee expects the CFTC and the SEC to limit, to the greatest extent possible, inconsistent regulation of similar products and entities that could lead to opportunities for regulatory arbitrage. The Committee continues to support the use of funds to support the Joint SEC–CFTC Advisory Committee.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

Appropriations, 2010	\$118,200,000
Budget estimate, 2011	118,600,000
Committee recommendation	118,600,000

PROGRAM DESCRIPTION

The Consumer Product Safety Commission [CPSC] is an independent regulatory agency that was established on May 14, 1973, and is responsible for protecting the public against unreasonable risks of injury from consumer products; assisting consumers to evaluate the comparative safety of consumer products; developing uniform safety standards for consumer products and minimizing conflicting State and local regulations; and promoting research and investigation into the causes and prevention of product-related deaths, illnesses, and injuries.

In carrying out its mandate, the CPSC establishes mandatory product safety standards, where appropriate, to reduce the unreasonable risk of injury to consumers from consumer products; helps industry develop voluntary safety standards; bans unsafe products if it finds that a safety standard is not feasible; monitors recalls of defective products; informs and educates consumers about product hazards; conducts research and develops test methods; collects and publishes injury and hazard data, and promotes uniform product regulations by governmental units.

On August 14, 2008, Congress reauthorized the Commission by enacting the Consumer Product Safety Improvement Act of 2008 [CPSIA] (Public Law 110–314). CPSIA represents the most substantial change in the Consumer Product Safety Commission’s au-

thorities since the creation of the Commission. Among other things, it enhances the Commission’s recall authority, streamlines the rulemaking process, provides for the creation of a new searchable database of consumer product complaints, and requires product certification.

COMMITTEE RECOMMENDATION

The Committee recommends \$118,600,000 for the Consumer Product Safety Commission, which is \$400,000 above the fiscal year 2010 funding level and the same as the budget request.

The Committee reminds the Consumer Product Safety Commission that hiring—particularly in the two areas of Compliance and Field Operations, and Hazard Identification and Reduction—remains a priority and that increased funding has been provided over the past several years for this purpose. CPSC should ensure that this funding is being spent as directed and that hiring goals are met.

An August 2009 GAO report (GAO–09–803), issued in response to a mandate in the Consumer Product Safety Improvement Act of 2008, raised concerns about and made recommendations to strengthen CPSC’s ability to target unsafe consumer products. The Commission’s ability to conduct market surveillance and target unsafe products is a critical factor in its decisions about whether to recall consumer products. In carrying out this important activity, CPSC must rely on a relatively small number of compliance officers and investigators, as well as work with its counterparts in other countries. The effectiveness of CPSC’s field structure and approach to market surveillance has important implications for its ability to ensure the safety of consumer products. To further strengthen CPSC’s ability to target unsafe consumer products, the Committee directs GAO to conduct a follow-up report within 270 days of enactment of this act.

The Committee is appreciative of the monthly drywall reports provided by the Commission during the past year and for fiscal year 2011 requires that these reports be provided on a quarterly basis instead, although the Commission should update the Committee of notable developments immediately, should they occur outside the quarterly reporting schedule.

ELECTION ASSISTANCE COMMISSION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2010	\$17,959,000
Budget estimate, 2011	16,800,000
Committee recommendation	16,800,000

PROGRAM DESCRIPTION

The Election Assistance Commission [EAC] was created by the Help America Vote Act of 2002 [HAVA] (Public Law 107–252). Under HAVA, the EAC’s role is to promulgate voluntary State guidelines for election systems, develop a national certification program for voting equipment, and provide related guidance. The EAC

is also charged with awarding grants to improve election administration and to enhance election equipment.

COMMITTEE RECOMMENDATION

The Committee provides \$16,800,000 for EAC’s administrative expenses, which is \$1,159,000 less than the fiscal year 2010 enacted level and the same as the budget request. The Committee bill requires that \$3,250,000 of these funds be transferred to the National Institute for Standards and Technology for technical assistance related to the development of voluntary State voting systems guidelines.

The Committee directs the Commission to keep the Committee informed of new hires and significant staffing changes, as well as any other major developments. The Commission is reminded of the requirements of section 608 particularly with regard to the baseline report and reorganizations.

ELECTION REFORM PROGRAMS

Appropriations, 2010	\$75,000,000
Budget estimate, 2011	
Committee recommendation	

PROGRAM DESCRIPTION

This appropriation provides funding for grant programs authorized by the Help America Vote Act of 2002 (Public Law 107–252) and for related grant programs to improve the administration of elections.

COMMITTEE RECOMMENDATION

The Committee has provided no funding for this program, consistent with the budget request.

FEDERAL COMMUNICATIONS COMMISSION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2010	\$335,794,000
Budget estimate, 2011	352,500,000
Committee recommendation	355,500,000

PROGRAM DESCRIPTION

The Federal Communications Commission [FCC] is charged with regulating interstate and international communications by radio, television, wire, satellite, and cable. The FCC is also charged with promoting the safety of life and property through wire and radio communications. The mandate of the FCC under the Communications Act is to make available to all people of the United States a rapid, efficient, nationwide, and worldwide wire and radio communication service. The FCC performs five major functions to fulfill this charge: (1) spectrum allocation; (2) creating rules to promote fair competition and protect consumers where required by market conditions; (3) authorization of service; (4) enhancing public safety and homeland security; and (5) enforcement.

COMMITTEE RECOMMENDATION

The Committee recommendation provides \$355,500,000 for the salaries and expenses of the Federal Communications Commission [FCC], of which \$355,500,000 is to be derived from the collection of fees. The recommendation is \$19,706,000 above the fiscal year 2010 enacted level and \$3,000,000 above the budget request. Funds recommended above the request are provided for the FCC Office of Inspector General.

Broadcast Television Standards.—The Committee continues to be concerned about the declining standards of broadcast television and the impact this decline is having on America’s children. In broadcast television, sexual content, foul language, and violence have greatly increased over the past decade. The Committee directs the FCC to continue to report to Congress on the issues associated with resurrecting a broadcast industry code of conduct for content of programming that, if adhered to by the broadcast industry, would protect against the further erosion of broadcasting standards.

The Committee has included language (sec. 501) to extend FCC’s exemption from the Anti-deficiency Act [ADA] until December 31, 2011.

The Committee has included language (sec. 502) that prohibits the FCC from enacting certain recommendations regarding universal service that were made to it by the Joint Board of FCC members and State utility commissioners. The recommendation would limit universal support to one line. This would be harmful to small businesses, especially in rural areas, which need a second line for a fax or for other business purposes.

FEDERAL DEPOSIT INSURANCE CORPORATION

OFFICE OF INSPECTOR GENERAL

Appropriations, 2010	(\$37,942,000)
Budget estimate, 2011	(47,916,000)
Committee recommendation	(47,916,000)

PROGRAM DESCRIPTION

The Federal Deposit Insurance Corporation [FDIC] Office of Inspector General [OIG] conducts audits, investigations, and other reviews to assist and augment the FDIC’s contribution to the stability of, and public confidence in, the Nation’s financial system. A separate appropriation more effectively ensures the OIG’s independence consistent with the Inspector General Act of 1978 and other legislation.

COMMITTEE RECOMMENDATION

The Committee recommends \$47,916,000 for the FDIC inspector general, the same as the budget request and \$9,974,000 more than the fiscal year 2010 enacted level. Funds are to be derived by transfer from the Deposit Insurance Fund and the Federal Savings and Loan Insurance Corporation [FSLIC] resolution fund. Recommended funding represents a 26 percent increase to the fiscal year 2010 level in order to support increased workload, including Material Loss Reviews of certain bank failures, oversight of the

FDIC's increase in resolution and receivership activity, and oversight of new FDIC activities initiated in response to the financial crisis.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

Appropriations, 2010	\$66,500,000
Budget estimate, 2011	68,800,000
Committee recommendation	70,800,000

PROGRAM DESCRIPTION

The Federal Election Commission [FEC] was created through the 1974 Amendments to the Federal Election Campaign Act of 1971 (Public Law 93-443). Consistent with its duty of executing our Nation's Federal campaign finance laws, and in pursuit of its mission of maintaining public faith in the integrity of the Federal campaign finance system, FEC conducts three major regulatory programs: (1) providing public disclosure of funds raised and spent to influence Federal elections; (2) enforcing compliance with restrictions on contributions and expenditures made to influence Federal elections; and (3) administering public financing of Presidential campaigns.

COMMITTEE RECOMMENDATION

The Committee recommends \$70,800,000 for the Federal Election Commission, \$2,000,000 more than the budget request and \$4,300,000 more than the fiscal year 2010 enacted level. The Committee recommends the increase in funding over the budget request to enable the FEC to maintain current staffing levels and services, enhance public access to electronic records, and address increased workload demands.

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

Appropriations, 2010	\$24,773,000
Budget estimate, 2011	26,000,000
Committee recommendation	26,000,000

PROGRAM DESCRIPTION

The Federal Labor Relations Authority [FLRA] is an independent administrative Federal agency created by title VII of the Civil Service Reform Act of 1978 (Public Law 95-454) with a mission to carry out five statutory responsibilities in relation to the Federal workforce: (1) determining the appropriateness of units for labor organization representation; (2) resolving complaints of unfair labor practices; (3) adjudicating exceptions to arbitrator's awards; (4) adjudicating legal issues relating to the duty to bargain; and (5) resolving impasses during negotiations.

The FLRA's authority is divided by law and by delegation among a three-member authority and an Office of General Counsel, appointed by the President and subject to Senate confirmation; and the Federal Service Impasses Panel, which consists of seven part-time members appointed by the President.

In addition, the FLRA is engaged in case-related interventions, training and facilitation of labor-management partnerships, and resolving disputes. FLRA promotes labor-management cooperation by providing training and assistance to labor organizations and agencies on resolving disputes, facilitates the creation of partnerships, and trains the parties on rights and responsibilities under the Federal Labor Relations Management statute.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$26,000,000 for the Federal Labor Relations Authority. This amount is the same as the budget request and \$1,227,000 above the fiscal year 2010 enacted level.

The Committee supports the efforts of the FLRA in reducing the caseload backlog and is pleased with the planned movement toward electronic filing of public records.

FEDERAL TRADE COMMISSION

SALARIES AND EXPENSES

Appropriations, 2010	\$291,700,000
Budget estimate, 2011	314,000,000
Committee recommendation	314,000,000

PROGRAM DESCRIPTION

The Federal Trade Commission [FTC] administers a variety of Federal antitrust and consumer protection laws. Activities in the antitrust area include detection and elimination of illegal collusion, anticompetitive mergers, unlawful single-firm conduct, and injurious vertical agreements. The FTC regulates advertising practices, service industry practices, marketing practices, and credit practices as it addresses fraud and other consumer concerns.

COMMITTEE RECOMMENDATION

The Committee recommendation provides \$314,000,000. The recommendation is \$22,300,000 above the fiscal year 2010 enacted level and is equal to the budget request.

Of the amounts provided, \$96,000,000 is derived from Hart-Scott-Rodino pre-merger filing fees and \$21,000,000 is derived from Do-Not-Call fees. The total amount of direct appropriations for this account is therefore \$197,000,000. The Committee notes that this change reflects a net decrease in estimated offsetting fee collection receipts since last year.

The Committee continues to place a high priority on the FTC's mission to protect consumers and preserve competition in the marketplace. The Committee is pleased that the FTC has effectively utilized resources provided in previous fiscal years to investigate fraud and misleading practices related to mortgage lending and other financial services, identity theft, data security, and healthcare and to preserve competition in the marketplace through education and enforcement of Federal laws related to anticompetitive practices. Over the past 3 years, the FTC saved consumers more than \$1.4 billion in economic injury by stopping illegal practices in the marketplace, and, in 2009 alone, the FTC took action

against mergers likely to harm competition in markets with a total of \$22.3 billion in sales. The Committee directs the FTC to robustly continue such activities and has approved the following significant program increases in accordance with the budget request:

Protect Consumers: +\$3,544,000/ +23 FTE.—Recommended funding will support FTC activities in the areas of financial practices, fraud targeting vulnerable Americans, including false employment schemes, privacy and data security, health fraud advertising, mobile marketing and new media, advertising to children, and international consumer protection.

Maintain Competition: +\$2,620,000/ +17 FTE.—Recommended funding will support the increased workload generated by the growing complexity of merger transactions and an active merger enforcement agenda, with a continued focus on anticompetitive mergers and practices in the pharmaceutical, healthcare, energy, and technology markets and protecting consumers from anticompetitive price increases.

The Committee makes the following findings:

Do-Not-Call Initiative.—The recommendation includes \$21,000,000 for the FTC Do-Not-Call initiative and implementation of the Telemarketing Sales Rule [TSR], of which the entire amount is to be derived from the collection of fees. The Do-Not-Call initiative was launched pursuant to the FTC’s amended TSR to establish a national database of telephone numbers of consumers who choose not to receive telephone solicitations from telemarketers. The Do-Not-Call initiative has received broad support from, and will provide significant benefits to, consumers from all corners of the United States.

Gas and Diesel Prices.—The Committee continues to be concerned with the potential for market manipulation and anti-competitive behavior in the oil and natural gas industries. The FTC is encouraged to continue its investigations and other activities related to these concerns. The Committee directs the FTC to keep the Committee apprised of findings made regarding fuel prices, as well as other planned activities and investigations regarding the oil and gas industries.

Child Protection.—In September 2000, the FTC released a report entitled: “Marketing Violent Entertainment to Children: A Review of Self-Regulation and Industry Practices in the Motion Picture, Music Recording & Electronic Game Industries.” The report was highly critical of the entertainment industry and its persistent and calculated marketing of violent games, movies, and music to children. In response to this report, the entertainment industry has promised to impose tougher regulations on itself and to voluntarily comply with the report’s recommendation. The FTC should continue with, and expand upon, its efforts in this area. The Committee directs the Commission to continue to engage in consumer research and workshops, underage shopper-retail compliance surveys, and marketing data collection and analysis.

GENERAL SERVICES ADMINISTRATION
PROGRAM DESCRIPTION

The General Services Administration [GSA] was established by the Federal Property and Administrative Services Act of 1949 (Public Law 81-152) when Congress mandated the consolidation of the Federal Government's real property and administrative services. GSA is organized into the Public Buildings Service, the Federal Acquisition Service, the Office of Government-wide Policy, and the Office of Citizen Services.

COMMITTEE RECOMMENDATION

Los Angeles Courthouse.—The Committee is pleased that GSA and the courts are working toward a reasonable solution for completion of the new courthouse in Los Angeles, California. Designated as the judiciary's top priority and a judicial emergency in 2000, the Los Angeles courthouse project remains the judiciary's highest construction priority. The project scope has now been reduced, resulting in a lower cost facility than previously estimated.

Lease-construct Report.—The Committee eagerly awaits receipt of the joint report by the General Services Administration and the judiciary identifying the circumstances under which it is appropriate to provide court facilities using a lease-construct strategy.

Use of Stairs.—Obesity levels have been increasing at alarming rates, with one-third of the population obese, and another one-third overweight and at risk of obesity. Lifestyle activities, such as choosing stairs over elevators, are increasingly being urged by public health experts to address this problem. These experts point to mounting evidence that small amounts of exercise accumulated throughout the day can provide significant health benefits. Research has found that men who climbed at least 20 floors per week had about a 20 percent lower risk of stroke and of death from all causes during the study period. Benefits for women are also likely to be significant. Even two flights of stairs climbed per day can lead to 6 pounds of weight loss over 1 year. Studies in shopping centers and train stations have shown that poster-prompts, placed between adjacent escalators and stairs, can significantly increase stair use. Such interventions have typically resulted in a 15 percent increase in the use of stairs. Encouraging employees to take the stairs is becoming a popular strategy at worksite wellness programs around the country. The Committee believes that the Federal Government should be a leader in encouraging workplace wellness. In addition, lessening the use of elevators by all will speed their movement for those who depend on them.

The Committee believes that GSA has made progress since the first effort to promote the use of stairs was initiated in the fiscal year 2006 appropriation bill; however, further effort is needed. The Committee directs that GSA include in future GSA-owned and leased buildings, signage displayed next to all banks of elevators or on elevator doors in GSA buildings, at the entrance to all non-emergency use public stairwells, and at the base of escalators, indicating the location of and encouraging use of the stairs; and that design of new buildings promote the use of stairs. The Committee recommends that GSA aim to achieve the above-mentioned direc-

tive by September 30, 2011. In order to ascertain precisely how much progress has been made and how much remains, GSA is directed to provide quarterly reports on the percentage of Federal buildings with such signage as well as on actions undertaken with regard to the design of new facilities, with a view to increasing the likely use of stairs.

Federal Security Space Assessment.—As New Orleans continues to struggle to come back from the devastating hurricane and flood events of 5 years ago, Federal agencies currently housed in New Orleans as well as Federal agencies that may need to be housed in New Orleans in the near future are confronted with the need to locate in buildings that meet the various current security requirements of the Federal Government. The commercial office building market continues to struggle economically, many existing office buildings housing Federal agencies may not be economically viable candidates for security upgrades, and sites for new buildings in secure areas may also be limited. The Committee directs GSA to report within 120 days after enactment of this act the locations within the greater New Orleans metropolitan area that have space available, either in an existing office building or a site for the location of an office building, that are compliant with the latest Federal Anti-Terrorism/Force Protection standards, applicable hurricane protections and USDA ISC security level guidelines as of September 30, 2010. This audit will assist in understanding the options available for locating Federal agencies in secure facilities in the greater New Orleans area.

Federal Space Management.—The Committee is aware that Executive Order 12072 requires an agency to give first consideration to the centralized community business areas of cities when choosing office locations. The Committee is further aware of the possible relocation of Federal Government offices outside of the central business district in Rockford, Illinois, specifically, the Internal Revenue Service and the Drug Enforcement Agency. The Committee is troubled by these developments and is aware of ample office space in downtown Rockford, including the Stanley J. Roszkowski United States Courthouse. The Committee expects the agency to fully comply with Executive Order 12072 and directs GSA to work with the city of Rockford to retain Federal Government offices in the central business district.

FEDERAL BUILDINGS FUND—LIMITATIONS ON AVAILABILITY OF REVENUE

Limitation on availability of revenue:	
Limitation on availability, 2010	\$8,543,585,000
Limitation on availability, budget estimate, 2011	9,153,663,000
Committee recommendation	9,158,563,000

The Federal Buildings Fund program consists of the following activities financed from rent charges:

Construction and Acquisition of Facilities.—Space is acquired through the construction or purchase of facilities and prospectus-level extensions to existing buildings. All costs directly attributable to site acquisition, construction, and the full range of design and construction services, and management and inspection of construction projects are funded under this activity.

Repairs and Alterations.—Repairs and alterations of public buildings as well as associated design and construction services are funded under this activity. Protection of the Government’s investment, health and safety of building occupants, transfer of agencies from leased space, and cost effectiveness are the principal criteria used in establishing priorities. Primary consideration is given to repairs to prevent deterioration and damage to buildings, their support systems, and operating equipment. This activity also provides for conversion of existing facilities and non-prospectus extensions.

Installment Acquisition Payments.—Payments are made for liabilities incurred under purchase contract authority and lease purchase arrangements. The periodic payments cover principal, interest, and other requirements on the debt incurred for construction of Federal buildings.

Rental of Space.—Space is acquired through the leasing of buildings including space occupied by Federal agencies in U.S. Postal Service facilities. GSA provided 183 million square feet of rental space in fiscal year 2009. GSA expects to provide 194 million square feet of rental space in fiscal year 2010 and 197 million in fiscal year 2011.

Building Operations.—Services are provided for Government-owned and leased facilities, including cleaning, utilities and fuel, maintenance, miscellaneous services (such as moving, evaluation of new materials and equipment, and field supervision), and general management and administration of all real property related programs including salaries and benefits paid from the Federal Buildings Fund.

Other Programs.—When requested by Federal agencies, the Public Buildings Service provides building services, such as tenant alterations, cleaning and other operations, and protection services which are in excess of those services provided under the commercial rental charge. For presentation purposes, the balances of the Unconditional Gifts of Real, Personal, or Other Property Trust Fund have been combined with the Federal Buildings Fund.

CONSTRUCTION AND ACQUISITION

Limitation on availability, 2010	\$894,037,000
Limitation on availability, budget estimate, 2011	676,362,000
Committee recommendation	768,362,000

PROGRAM DESCRIPTION

The construction and acquisition fund shall be available for site, design, construction, management, and inspection costs for the construction of new Federal facilities.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$768,362,000 for construction and acquisition of facilities in fiscal year 2011.

CONSTRUCTION AND ACQUISITION

State	Description	Amount
CA	Calexico, Calexico West, Land Port of Entry	\$84,359,000
CA	Los Angeles, United States Courthouse	92,000,000

CONSTRUCTION AND ACQUISITION—Continued

State	Description	Amount
CO	Lakewood, Denver Federal Center Remediation	7,957,000
DC	Washington, St. Elizabeths DHS Consolidation and Development	267,675,000
DC	Washington, St. Elizabeths West Campus Infrastructure	99,281,000
DC	Washington, St. Elizabeths Historic Preservation Mitigation	4,990,000
DC	Washington, St. Elizabeths Highway Interchange	8,350,000
ME	Calais, Ferry Point Land Port of Entry	1,552,000
MD	White Oak, Food and Drug Administration Consolidation	173,773,000
MI	Detroit, P.V. McNamara Federal Building FBI Garage	3,658,000
WV	Martinsburg, IRS Annex	24,767,000

REPAIRS AND ALTERATIONS

Limitation on availability, 2010	\$413,776,000
Limitation on availability, budget estimate, 2011	703,467,000
Committee recommendation	716,367,000

PROGRAM DESCRIPTION

Under this activity, the General Services Administration [GSA] executes its responsibility for repairs and alterations [R&A] of both Government-owned and leased facilities under the control of GSA. The primary goal of this activity is to provide commercially equivalent space to tenant agencies. Safety, quality, and operating efficiency of facilities are given primary consideration in carrying out this responsibility.

R&A workload requirements originate with scheduled onsite inspections of buildings by qualified regional engineers and building managers. The work identified through these inspections is programmed in order of priority into the Inventory Reporting Information System and incorporated into a 5-year plan for accomplishment, based upon funding availability, urgency, and the volume of R&A work that GSA has the capability to execute annually. Since fiscal year 1995, design and construction services activities associated with repair and alteration projects have been funded in this account.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$716,367,000 for repairs and alterations in fiscal year 2011. The Committee includes funding for four special emphasis programs.

The Committee has included \$35,000,000 for a new judiciary capital security special emphasis program. This program is dedicated to improving physical security in buildings occupied by the judiciary in lieu of construction of brand new facilities, thereby providing cost savings and expedited delivery. Project priorities would be established collaboratively by the judiciary and the GSA. Security planning is a critical part of new courthouse design in order to minimize risks and provide secure buildings for the public who have business with the courts and the Government staff who work there. The judiciary has relied on major building projects to address these needs, and in the past 20 years, replacement courthouses have been built to modern security standards at locations where security and operational conditions were at their worst. However, with many aging buildings and competing real property

needs, the GSA's Federal Buildings Fund has been constrained and the courts continue to operate in buildings with unsafe and often high-risk conditions. Funding provided through the judiciary capital security program will address the security deficiencies in existing buildings where physical, interior alterations are viable. The judiciary and the GSA will work collaboratively to assess the building conditions, viability of long-term use, and structural capacity for these stand-alone architectural solutions. Such solutions could include: constructing additional corridors, adding or reconfiguring elevators, building visual barriers, moving air-intakes, and enlarging security screening areas. To date, the judiciary's recent AMP analysis has identified as many as 45 buildings that could benefit from this initiative to improve the physical security in existing courthouses.

REPAIRS AND ALTERATIONS

State	Description	Amount
CA	Los Angeles, Federal Building/Parking Garage	\$51,217,000
CA	Richmond, Frank Hagel Federal Building	113,620,000
CA	San Diego, Edward J. Schwartz United States Courthouse and Federal Building	22,336,000
CA	Van Nuys, James C. Corman Federal Building	11,039,000
DC	Washington, E. Barrett Prettyman United States Courthouse	22,900,000
DC	Washington, West Wing Design Phase II	6,245,000
IN	Indianapolis, Major General Emmett J. Bean Federal Center	65,813,000
NY	New York, Daniel Patrick Moynihan United States Courthouse	28,000,000

INSTALLMENT ACQUISITION PAYMENTS

Limitation on availability, 2010	\$140,525,000
Limitation on availability, budget estimate, 2011	135,540,000
Committee recommendation	135,540,000

PROGRAM DESCRIPTION

The Public Buildings Amendments of 1972 enable GSA to enter into contractual arrangements for the construction of a backlog of approved but unfunded projects. This activity provides for the payment of interest to the Federal Financing Bank related to facilities acquired pursuant to the Public Buildings Amendments of 1972 (40 U.S.C. 592).

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$135,540,000 for installment acquisition payments. This amount is \$4,985,000 below the fiscal year 2010 funding level and the same as the budget request.

RENTAL OF SPACE

Limitation on availability, 2010	\$4,804,871,000
Limitation on availability, budget estimate, 2011	5,291,946,000
Committee recommendation	5,216,946,000

PROGRAM DESCRIPTION

GSA is responsible for leasing general purpose space and land incident thereto for Federal agencies, except in cases where GSA has delegated its leasing authority. GSA's policy is to lease privately

owned buildings and land only when: (1) Federal space needs cannot be otherwise accommodated satisfactorily in existing Government-owned or leased space; (2) leasing proves to be more efficient than the construction or alteration of a Federal building; (3) construction or alteration is not warranted because requirements in the community are insufficient or are indefinite in scope or duration; or (4) completion of a new Federal building within a reasonable time cannot be assured.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$5,216,946,000 for rental of space. The Committee recommendation is \$412,075,000 above the fiscal year 2010 enacted level and is \$75,000,000 below the budget request.

BUILDING OPERATIONS

Limitation on availability, 2010	\$2,290,376,000
Limitation on availability, budget estimate, 2011	2,346,348,000
Committee recommendation	2,321,348,000

PROGRAM DESCRIPTION

This activity provides for the operation of all Government-owned facilities under the jurisdiction of GSA and building services in GSA-leased space where the terms of the lease do not require the lessor to furnish such services. Services included in building operations are cleaning, protection, maintenance, payments for utilities and fuel, grounds maintenance, and elevator operations. Other related supporting services include various real property management and staff support activities such as space acquisition and assignment; the moving of Federal agencies as a result of space alterations in order to provide better space utilization in existing buildings; onsite inspection of building services and operations accomplished by private contractors; and various highly specialized contract administration support functions.

The space, operations, and services referred to above are furnished by GSA to its tenant agencies in return for payment of rent. Due to considerations unique to their operation, GSA also provides varying levels of above-standard services in agency headquarters facilities, including those occupied by the Executive Office of the President, such as the east and west wings of the White House.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$2,321,348,000 for building operations. This amount is \$30,972,000 above the fiscal year 2010 enacted level and \$25,000,000 below the budget request.

GOVERNMENT-WIDE POLICY

Appropriations, 2010	\$59,665,000
Budget estimate, 2011	85,121,000
Committee recommendation	77,621,000

PROGRAM DESCRIPTION

The Office of Government-wide Policy, working cooperatively with other agencies, provides the leadership needed to develop and

evaluate the implementation of policies associated with real and personal property, vehicles, aircraft, information technology, transportation and travel management, and development of procurement policies and regulations, as well as improvement of the acquisition workforce. These policies are designed to achieve the most cost-effective solutions for the delivery of those administrative services.

The Office of Government-wide Policy also includes the Office of Federal High-Performance Green Buildings, which provides building standards, practices, and a certification system to ensure that all Federal facilities (buildings and work places) are designed and managed in a sustainable manner.

The policy support activities funded within this office include the Federal Procurement Data Center, Regulatory Information Service Center, the Catalog of Federal Domestic Assistance, and the Committee Management Secretariat.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$77,621,000 for Government-wide Policy. This amount is \$17,956,000 above the fiscal year 2010 enacted level and \$7,500,000 below the budget request.

High-performance Green Buildings.—The Committee remains supportive of the Office of Federal High-Performance Green Buildings but notes the slow rate of spending by this office. Since the office has yet to spend half of the funding appropriated in fiscal year 2010, the Committee provides \$2,000,000 for fiscal year 2011 and makes the funding available for 1 year rather than until expended.

The Committee directs GSA to submit to the Committees on Appropriations a detailed expenditure plan for this Office within 30 days of enactment of this act. The plan should describe the budget, timeline, objectives, and benefits of the Office. The Committee further directs GSA to provide quarterly reports on the obligation of these funds.

OPERATING EXPENSES

Appropriations, 2010	\$72,881,000
Budget estimate, 2011	72,203,000
Committee recommendation	72,203,000

PROGRAM DESCRIPTION

Operating Expenses supports a variety of operational activities which are not feasible or appropriate for a user fee arrangement. Major programs include the personal property utilization and donation activities of the Federal Acquisition Service; the real property utilization and disposal activities of the Federal Acquisition Service; the activities of the Civilian Board of Contract Appeals; and Management and Administration activities including support of Government-wide emergency response and recovery activities, and top-level agency-wide management, administration, and communications activities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$72,203,000 for Operating Expenses. This amount is \$678,000 below the fiscal year 2010 enacted level and the same as the budget request.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2010	\$59,000,000
Budget estimate, 2011	62,905,000
Committee recommendation	61,025,000

PROGRAM DESCRIPTION

This appropriation provides agency-wide audit and investigative functions to identify and correct management and administrative deficiencies within the General Services Administration [GSA], including conditions for existing or potential instances of fraud, waste, and mismanagement. This audit function provides internal audit and contract audit services. Contract audits provide professional advice to GSA contracting officials on accounting and financial matters relative to the negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of GSA operations and programs, test internal control systems, and develop information to improve operating efficiencies and enhance customer services. The investigative function provides for the detection and investigation of improper and illegal activities involving GSA programs, personnel, and operations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$61,025,000 for the Office of Inspector General. This amount is \$2,025,000 above the fiscal year 2010 enacted level and \$1,880,000 below the budget request.

Of the requested increases, funding is provided for the IT workflow management tool and the IT server system replacement.

ELECTRONIC GOVERNMENT [E-GOV] FUND

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2010	\$34,000,000
Budget estimate, 2011	35,000,000
Committee recommendation	20,000,000

PROGRAM DESCRIPTION

This program supports interagency “electronic government” or “e-gov” initiatives and projects that use the Internet or other electronic methods to provide individuals, businesses, and government agencies with simpler and more timely access to Federal information, benefits, services, and business opportunities. The program would also further the administration’s implementation of the Government Paperwork Elimination Act [GPEA] of 1998, which calls upon agencies to provide the public with optional use and acceptance of electronic information, services, and signatures, when practicable.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$20,000,000 for the Electronic Government Fund. This amount is \$14,000,000 below the fiscal year 2010 enacted level and \$15,000,000 below the budget request.

The Committee is supportive of the concepts contemplated in the e-gov account for fiscal year 2011, namely, moving agencies to cloud-computing through pilots and development of shared services, improving Federal IT efficiency and effectiveness through an efficient Federal workforce, and improving Government-public interactions through improving transparency and participation. However, due to funding constraints as well as lack of detail and clearly defined information regarding spending requests, the Committee reduces funding for E-Gov programs for fiscal year 2011.

The Committee is concerned that the electronic government initiative does not provide sufficient guidance regarding consolidation of Federal agency data centers into data facilities with multiple Federal tenants. GSA is directed to report to the Committee within 120 days after enactment of this act on the feasibility of consolidating Federal agency data centers into existing Government-owned/Government-operated facilities with multiple Federal tenants.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

Appropriations, 2010	\$3,756,000
Budget estimate, 2011	3,907,000
Committee recommendation	3,907,000

PROGRAM DESCRIPTION

This appropriation provides for an annual pension and compensation for office staffs and related expenses for former Presidents Jimmy Carter, George H.W. Bush, William Clinton, and George W. Bush, and for the franking privileges for the widows of former Presidents Ronald Reagan and Gerald Ford.

COMMITTEE RECOMMENDATION

The Committee recommends \$3,907,000 for allowances and office staff for former Presidents, \$151,000 above the fiscal year 2010 funding level and the same as the budget request.

Below is listed a detailed analysis of the Committee's recommendation for fiscal year 2011 funding:

FISCAL YEAR 2011 BUDGET ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

[In thousands of dollars]

	Carter	G.H. Bush	Clinton	G.W. Bush	Widows	Total
Personnel Compensation	96	96	96	150	.....	438
Personnel Benefits	2	64	104	102	.....	272
Benefits for Former Presidents (pensions)	201	201	212	212	.....	826
Travel	2	56	5	60	.....	123
Rental Payments to GSA	107	198	586	399	.....	1,290
Communications:						
Telephone	10	17	7	85	.....	119
Postage	15	13	14	20	14	76
Printing	5	14	18	26	.....	63

FISCAL YEAR 2011 BUDGET ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS—
Continued
[In thousands of dollars]

	Carter	G.H. Bush	Clinton	G.W. Bush	Widows	Total
Other Services	68	103	31	170	.....	372
Supplies	5	15	2	40	.....	62
Equipment	7	63	36	160	.....	266
Total Obligations	518	840	1,111	1,424	14	3,907

FEDERAL ACQUISITION WORKFORCE INITIATIVES FUND

Appropriations, 2010 .....	.....
Budget estimate, 2011	\$24,900,000
Committee recommendation	17,000,000

PROGRAM DESCRIPTION

This appropriation provides support for inter-agency initiatives and projects that will improve: (1) the ability of civilian agencies to assess the capacity and capability of the acquisition workforce necessary to develop and appropriately manage acquisitions; (2) the capacity, capability, and effectiveness of the civilian agency acquisition workforce to improve acquisition management; and (3) agencies' abilities to achieve the optimal mix of public and private sector resources to support agency operations. The activities supported through this fund are intended to foster and promote the development of the acquisition workforce and support the responsibilities provided for in the Office of Federal Procurement Policy Act.

COMMITTEE RECOMMENDATION

The Committee recommends \$17,000,000 for the new Federal Acquisition Workforce Initiatives Fund. This amount is \$17,000,000 above the fiscal year 2010 enacted level and \$7,900,000 below the budget request. While the Committee recognizes the important goals of the initiative, due to funding constraints and a lack of detail and clearly defined information regarding spending requests, the Committee recommends a funding level lower than the request. The Committee notes its strong support for completion of the contractor database.

FEDERAL CITIZEN SERVICES FUND

Appropriations, 2010	\$36,515,000
Budget estimate, 2011	36,825,000
Committee recommendation	36,825,000

PROGRAM DESCRIPTION

The Federal Citizen Services Fund provides for the salaries and expenses of the Office of Citizen Services [OCS]. OCS provides citizens, businesses, other governments, and the media with access points to easily obtain Government information and services via the Internet, e-mail, print, and telephone.

OCS provides information and services to the public primarily through USA.gov and GobiernoUSA.gov, the official Web portal of the U.S. Government. OCS also operates pueblo.gsa.gov,

consumeraction.gov and consumidor.gov, webcontent.gov, and kids.gov Web sites. OCS provides direct telephone (1-800-FED-INFO), e-mail and online assistance to citizens through the National Contact Center, and offers comprehensive and cost-effective contact center solutions to customer Federal agencies through the USA Contact program. OCS also coordinates the publication and distribution of information through the Government Printing Office's Public Documents Distribution Center in Pueblo, Colorado.

OCS supports effective Government by training Web and contact center managers across the Federal Government through Web Manager University, and provides development and facilitation services to Federal agencies and initiatives to enhance their delivery of citizen services. OCS brings Federal, State, territorial, local and tribal governments together to improve services to citizens through sharing of best practices, and serves as a point of contact to other nations to share experiences in delivering citizen services and to bring new solutions to the U.S. Government.

The Federal Citizen Services [FCS] Fund is financed through annual appropriations to pay for the salaries and expenses of OCS staff. Reimbursements from Federal agencies pay for the direct costs of information services OCS provides on their behalf. The FCS Fund also receives funding from user fees for publications ordered by the public, payments from private entities for services rendered, and gifts from the public. All income is available without regard to fiscal year limitations, but is subject to an annual aggregate expenditure limit as set forth in appropriation acts.

COMMITTEE RECOMMENDATION

The Committee recommends \$36,825,000 for the Federal Services Center, an increase of \$310,000 above the fiscal year 2010 enacted level and the same as the budget request.

The appropriation will be augmented by reimbursements from Federal agencies for distribution of consumer publications, user fees from the public, and other income.

ADMINISTRATIVE PROVISIONS—GENERAL SERVICES ADMINISTRATION

Section 510 authorizes GSA to use funds for the hire of passenger motor vehicles.

Section 511 authorizes GSA to transfer funds within the Federal buildings fund to meet program requirements.

Section 512 requires that the fiscal year 2012 budget request meet certain standards.

Section 513 provides that no funds may be used to increase the amount of occupiable square feet, provide cleaning services, security enhancements, or any other service usually provided, to any agency which does not pay the requested rate.

Section 514 continues the provision that permits GSA to pay small claims less than \$250,000 made against the Government.

Section 515 provides that certain lease agreements must conform to an approved prospectus.

Section 516 authorizes GSA to allow volunteer and other non-governmental organizations supporting the National Response Framework, under Emergency Support Function [ESF] #6—Mass

Care, Housing, and Human Services, access to GSA Sources of Supply.

Section 517 clarifies the authorized purposes of the Acquisition Workforce Training Fund.

Section 518 provides for a land conveyance in San Joaquin County, California.

Section 519 provides the same reprogramming authority for construction and repair projects in the Federal Buildings Fund funded through Public Law 111-5 as is provided for Federal Buildings Fund construction and repair projects funded in the annual appropriations bill.

HARRY S TRUMAN SCHOLARSHIP FOUNDATION

SALARIES AND EXPENSES

Appropriations, 2010	\$660,000
Budget estimate, 2011	
Committee recommendation	950,000

PROGRAM DESCRIPTION

The Harry S Truman Scholarship Foundation is an independent agency established by Congress in 1975 (Public Law 93-642) to encourage exceptional college students to pursue careers in public service through the Truman Scholarship program. The Truman Scholarship is a merit-based award available to college juniors who plan to pursue careers in Government or elsewhere in public service. Truman Scholars receive up to \$30,000 for graduate or professional school, participate in leadership development activities, and have special opportunities for internships and employment with the Federal Government.

The Foundation Trust Fund was established with a one-time \$30,000 appropriation in 1976. The authorizing legislation directed that this endowment be invested solely in U.S. Treasury Securities, the interest from which has funded the Foundation's operating budget. With the decline in interest rates, the Foundation has experienced a significant decline in Federal financial support. From fiscal year 2002 to fiscal year 2010, despite having cut expenditures by 27 percent, annual trust fund revenue has declined 40 percent. The Foundation anticipates a budget deficit of \$950,000 without the requested appropriations. Estimated trust fund revenue for fiscal year 2011 will be 48 percent below the fiscal year 2002 level.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$950,000 for the Harry S Truman Scholarship Foundation. This amount is \$290,000 above the fiscal year 2010 enacted level and \$950,000 above the budget request. The appropriation is provided to offset the decline in trust fund revenues, to increase direct financial support to scholars, to ensure compliance with Government audit reporting requirements, and to invest in technology and financial development activities.

MERIT SYSTEMS PROTECTION BOARD
 SALARIES AND EXPENSES
 (INCLUDING TRANSFER OF FUNDS)

Appropriations, 2010	\$40,339,000
Budget estimate, 2011	41,621,000
Committee recommendation	41,621,000

PROGRAM DESCRIPTION

The Merit Systems Protection Board [MSPB] was established by the Civil Service Reform Act of 1978. MSPB is an independent quasi-judicial agency manifested to protect Federal merit systems against partisan political and other prohibited personnel practices and to ensure adequate protection for employees against abuses by agency management.

MSPB assists Federal agencies in running a merit-based civil service system. This is accomplished on a case-by-case basis through hearing and deciding employee appeals and on a systemic basis by reviewing significant actions and regulations of the Office of Personnel Management [OPM] and conducting studies of the civil service and other merit systems. The intended results of MSPB's efforts are to assure that personnel actions taken against employees are processed within the law and that actions taken by OPM and other agencies support and enhance Federal merit principles.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$41,621,000 for the Merit Systems Protection Board. This is an increase of \$1,282,000 above the fiscal year 2010 enacted level and the same as the budget request. The Committee makes available not more than \$2,579,000 for adjudicating retirement appeals through an appropriation from the trust fund consistent with past practice.

MORRIS K. UDALL AND STEWART L. UDALL FOUNDATION

MORRIS K. UDALL AND STEWART L. UDALL TRUST FUND

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2010	\$2,500,000
Budget estimate, 2011	2,200,000
Committee recommendation	3,000,000

PROGRAM DESCRIPTION

The General Fund payment to the Morris K. Udall and Stewart L. Udall Trust Fund is invested in Treasury securities with maturities suitable to the needs of the Fund. Interest earnings from the investments are used to carry out the activities of the Morris K. Udall and Stewart L. Udall Foundation. The Foundation awards scholarships, fellowships, and grants, and funds activities of the Udall Center.

The Morris K. Udall and Stewart L. Udall Foundation also supports training programs for professionals in health care policy and public policy, such as the Native Nations Institute [NNI]. NNI,

based at the University of Arizona, provides Native Americans with leadership and management training, and analyzes policies relevant to tribes.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,000,000 for the Morris K. Udall and Stewart L. Udall Trust Fund. This amount is \$500,000 above the fiscal year 2010 enacted level and \$800,000 above the budget request. The Committee includes language to allow up to 60 percent of the appropriation to be used for the expenses of the Native Nations Institute.

ENVIRONMENTAL DISPUTE RESOLUTION FUND

Appropriations, 2010	\$3,800,000
Budget estimate, 2011	3,800,000
Committee recommendation	3,800,000

PROGRAM DESCRIPTION

The U.S. Institute for Environmental Conflict Resolution is a Federal program established by Public Law 105–156 to assist parties in resolving environmental, natural resource, and public lands conflicts. The Institute is part of the Morris K. Udall and Stewart L. Udall Foundation and serves as an impartial, non-partisan institution providing professional expertise, services, and resources to all parties involved in such disputes. The Institute helps parties determine whether collaborative problem solving is appropriate for specific environmental conflicts, how and when to bring all the parties together for discussion, and whether a third-party facilitator or mediator might be helpful in assisting the parties in their efforts to reach consensus or to resolve the conflict. In addition, the Institute maintains a roster of qualified facilitators and mediators with substantial experience in environmental conflict resolution and can help parties in selecting an appropriate neutral professional.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,800,000 for the Environmental Dispute Resolution Fund. This amount is equal to both the fiscal year 2010 enacted level and the budget request.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

The National Archives and Records Administration [NARA] is the national recordkeeper, managing the Government’s archives and records, and operating the Presidential libraries. NARA is an independent agency created by statute in 1934 and tasked with the unique mission to identify, access, protect, preserve, and make available for use the important documents and records of all three branches of the Federal Government. NARA administers the Information Security Oversight Office, is the publisher of the Federal Register, and makes grants for historical documentation through the National Historical Publications and Records Commission [NHPRC]. In addition, NARA is charged with additional responsibilities including mediating Freedom of Information Act disputes and coordinating controlled unclassified information.

OPERATING EXPENSES

Appropriations, 2010	\$339,770,000
Budget estimate, 2011	348,689,000
Committee recommendation	348,689,000

PROGRAM DESCRIPTION

This account provides for basic operations dealing with management of the Federal Government's archives and records, operation of Presidential libraries, review for declassification of classified security information, and other duties.

COMMITTEE RECOMMENDATION

The Committee recommends \$348,689,000 for operating expenses of the National Archives and Records Administration for fiscal year 2011. This amount is \$8,919,000 above the fiscal year 2010 enacted level and the same as the budget request.

The Committee's recommendation includes requested funds to establish and staff the National Declassification Center in accordance with Executive Order 13526, including the hiring of contract support to design and develop an integrated interagency information technology declassification system, support a Holdings Protect Team to bolster security, expand the duties of the Controlled Unclassified Information [CUI] Office to manage the CUI framework, and expand the archival staff to build a cadre of new technology savvy archivists to handle the influx of new records which need to be processed, preserved and stored, and store newly accessioned civilian official personnel files transferred to NARA's custody.

The Office of Government Information Services [OGIS] was created within the National Archives and Records Administration under the amendments to the Freedom of Information Act [FOIA] enacted as part of OPEN Government Act of 2007 (Public Law 110-175). OGIS began operations in September 2009 and provides services to mediate disputes between FOIA requesters and Federal agencies; reviews policies and procedures of administrative agencies under FOIA; reviews agency compliance with FOIA; and recommends policy changes to the Congress and President to improve the administration of FOIA. The Committee believes that OGIS requires a dependable sustainable budget, and recommends that not less than \$3,000,000 be available for OGIS for fiscal year 2011. The Committee urges that the budget request for fiscal year 2012 specifically address the resource needs of OGIS.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2010	\$4,100,000
Budget estimate, 2011	4,250,000
Committee recommendation	4,250,000

PROGRAM DESCRIPTION

The mission of the Office of Inspector General [OIG] is to ensure that NARA safeguards and preserves the records of our Government while providing the American people with access to the essential documentation of their rights and the actions of their Government. The OIG accomplishes this by combating fraud, waste, and

abuse through high-quality objective audits and investigations covering all aspects of agency operations at 44 facilities nationwide. The OIG also serves as an independent, internal advocate for the economy, efficiency, and effectiveness of NARA and its operations.

COMMITTEE RECOMMENDATION

The Committee recommends \$4,250,000 for the Office of Inspector General [OIG]. This amount is \$150,000 above the fiscal year 2010 enacted level and the same as the budget request. The Committee supports a distinct account for the OIG in order to clearly identify the resources necessary to staff and operate the expanding mission-critical oversight and accountability functions performed by the OIG to ensure responsible NARA stewardship over public records. The Committee acknowledges that as the missions of NARA expand, including the establishment of the George W. Bush Presidential Library, the implementation of the Office Government Information Services, and the start-up of the Controlled Unclassified Information Office, the OIG's audit and investigative responsibilities grow. The increased funds will support an additional auditor to help increase audit coverage.

ELECTRONIC RECORDS ARCHIVES

Appropriations, 2010	\$85,500,000
Budget estimate, 2011	85,500,000
Committee recommendation	72,000,000

PROGRAM DESCRIPTION

Since 2001, NARA has been developing an Electronic Records Archives [ERA] that will permit management of records electronically and ensure the preservation of and access to Government electronic records. With the rapid changes in technology today, the formats in which records are stored become obsolete within a few years, making records inaccessible even if they are preserved intact with the most modern technology. ERA will preserve electronic records generated in a manner that enables requesters to access them on computer systems now and in the future. ERA will include a base system for Federal records and a separate system for Presidential records.

COMMITTEE RECOMMENDATION

The Committee recommends \$72,000,000 for the ERA project. This amount is \$13,500,000 below the fiscal year 2010 enacted level and the budget request. The bill includes a provision requiring NARA to submit a spending plan for these funds.

The Committee expects that the expenditure plan submitted for fiscal year 2011 shall specifically identify and clearly explain the outcomes that NARA expects from the funding made available, particularly the extent to which completed system increments include all or only partial planned functionality.

The Committee strongly supports the ERA program at NARA and believes that providing reliable access to electronic records far into the future, regardless of changes in technology, is of utmost importance.

The Committee has previously expressed its concern that NARA's expenditure plan submissions have not clearly identified the specific functions to be delivered through specific spending. This has hampered the Committee's ability to assess the extent of progress on ERA that should be expected as a result of the spending. In its review of NARA's fiscal year 2010 expenditure plan for ERA, GAO noted that NARA had not detailed what capabilities will be delivered by the final two ERA phases, or increments.

It is imperative that NARA provide clear and specific descriptions of the particular outcomes NARA expects to realize as a result of the expenditure of funds, including what progress, added capability, and developmental milestones along the path to achieving full operating capability will be accomplished with the investment of funds. It is particularly important that such functionality be described from the point-of-view of the users of the system, describing what additional capabilities will be available to the user as a result of specific investments.

At the urging of the Committee and GAO, NARA recently updated its ERA requirements document. The Committee expects that NARA manage the ERA requirements using a disciplined process that results in requirements being kept current as well as traceable throughout the life cycle of this project.

The Committee remains concerned that NARA lacks a contingency plan for the ERA system in the event of a failure or disruption, and a fully functional backup and restore process for ERA, a key component for ensuring system availability. The Committee directs NARA devote resources to establish a robust online backup and restoration service and ensure that adequate capabilities are in place for managing restricted information.

The Committee commends NARA's leadership in its issuance of a mandatory records management self-assessment to 245 Federal cabinet-level agencies, components, and independent agencies. The Committee shares the Archivist's concern outlined in the April 2010 report that 79 percent of agencies are at either a high or moderate risk of improper disposition of records, and that Federal agencies are falling short in carrying out their records management responsibilities, particularly regarding the exponential use and growth of electronic records. The Committee urges NARA to work with Congress, OMB, and Federal agencies to address concerns identified and improve records management performance across the Federal Government.

REPAIRS AND RESTORATION

Appropriations, 2010	\$27,500,000
Budget estimate, 2011	11,848,000
Committee recommendation	11,848,000

PROGRAM DESCRIPTION

This account provides for the repair, alteration, and improvement of Archives facilities and Presidential libraries nationwide, and provides adequate storage for holdings. It will better enable NARA to maintain its facilities in proper condition for public visitors, researchers, and NARA employees, and also maintain the structural integrity of the buildings.

COMMITTEE RECOMMENDATION

The Committee recommends \$11,848,000 for the repairs and restoration account. This amount is \$15,652,000 below the fiscal year 2010 enacted level and the same as the budget request.

The Committee is pleased to support the request, which includes \$6,848,000 for base requirements and \$5,000,000 for the top priority project in the Capitol Improvements Plan, the National Archives Experience Phase II.

The Committee supports removal of the restrictions on \$3,198,000 provided under Public Law 109–115 and Public Law 108–447 for the construction of a new regional archives and records facility in Anchorage, Alaska to fully fund base Repairs and Restoration requirements.

The Committee appreciates NARA’s submission of an update of its comprehensive capital needs assessment for its entire infrastructure of Presidential libraries and records facilities, as part of the fiscal year 2011 budget submission and urges NARA to include an appropriate level of funding for repair of valuable historic Presidential libraries in the fiscal year 2012 budget request.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

GRANTS PROGRAM

Appropriations, 2010	\$13,000,000
Budget estimate, 2011	10,000,000
Committee recommendation	10,000,000

PROGRAM DESCRIPTION

The National Historical Publications and Records Commission [NHPRC] provides grants nationwide to preserve and publish records that document American history. Administered within the National Archives, which preserves Federal records, NHPRC helps State, local, and private institutions preserve non-Federal records, helps publish the papers of major figures in American history, and helps archivists and records managers improve their techniques, training, and ability to serve a range of information users. Established in 1934 along with the National Archives, the NHPRC has funded over 4,600 projects connecting Americans with the primary source materials of our history, culture, and democracy.

COMMITTEE RECOMMENDATION

The Committee recommends \$10,000,000 for the National Historical Publications and Records Commission [NHPRC]. This amount is \$3,000,000 below the fiscal year 2010 enacted level and the same as the budget request.

The Committee strongly supports the NHPRC program and has provided funding to continue this important program. This program has played a central role in the preservation and dissemination of the Nation’s documentary heritage and has been successful in leveraging private sector contributions.

The Committee notes that the funding provided will enable NARA, through the NHPRC, to undertake a variety of initiatives, including advancing archives preservation, access, and digitization projects within the interlocking repositories of historic records and

hidden collections; ensuring public access to some of the most important historical resources that are maintained outside of Federal repositories; and digitizing nationally significant historic records collections to facilitate round-the-clock Internet availability.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

PROGRAM DESCRIPTION

The National Credit Union Administration [NCUA] Central Liquidity Facility [CLF] was created by the National Credit Union Central Liquidity Facility Act (Public Law 95-630). The CLF is a mixed-ownership Government corporation managed by the National Credit Union Administration Board and owned by its member credit unions.

The purpose of the CLF is to improve the general financial stability of credit unions by meeting their seasonal and emergency liquidity needs and thereby encourage savings, support consumer and mortgage lending, and provide basic financial resources to all segments of the economy. To become eligible for CLF services, credit unions invest in the capital stock of the CLF, and the facility uses the proceeds of such investments and the proceeds of borrowed funds to meet the liquidity needs of credit unions. The primary sources of funds for the CLF are stock subscriptions from credit unions and borrowings.

The CLF may borrow funds from any source, with the amount of borrowing limited to 12 times the amount of subscribed capital stock and surplus.

Loans are available to meet short-term requirements for funds attributable to emergency outflows from managerial difficulties or local economic downturns. Seasonal credit is also provided to accommodate fluctuations caused by cyclical changes in such areas as agriculture, education, and retail business. Loans can also be made to offset protracted credit problems caused by factors such as regional economic decline.

COMMITTEE RECOMMENDATION

The Committee recommends that lending through the CLF be limited to the maximum level provided for by section 307(a)(4)(A) of the Federal Credit Union Act. This limitation provides the NCUA maximum flexibility to assist with credit unions' financial liquidity during the economic downturn. The Committee also recommends the budget request of limiting administrative expenses for the CLF to \$1,250,000 in fiscal year 2011.

COMMUNITY DEVELOPMENT REVOLVING LOAN FUND

Appropriations, 2010	\$1,250,000
Budget estimate, 2011	2,000,000
Committee recommendation	2,000,000

PROGRAM DESCRIPTION

The Community Development Revolving Loan Fund Program [CDRLF] was established in 1979 to assist 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 5 years, although shorter repayment periods may be considered. Technical assistance grants [TAGs] are also available to low-income credit unions for improving operations as well as addressing safety and soundness issues. Credit unions use TAG funds for specific initiatives, including taxpayer assistance, financial education, home ownership initiatives, and training assistance.

COMMITTEE RECOMMENDATION

The Committee recommends \$2,000,000 for technical assistance grants to community development credit unions. This funding level is equal to the budget request and \$750,000 above the fiscal year 2010 enacted level. The Committee expects the CDRLF to continue making loans from available funds derived from repaid loans and interest earned on previous loans to designated credit unions.

The Committee supports NCUA’s outreach efforts to underserved rural and urban communities across America through technical assistance grants provided within CDRLF. The Committee encourages NCUA to continue its efforts to provide financial education, particularly regarding consumer credit and home mortgages, and to provide alternatives to predatory lending services through targeted technical assistance grants and support.

OFFICE OF GOVERNMENT ETHICS

SALARIES AND EXPENSES

Appropriations, 2010	\$14,000,000
Budget estimate, 2011	14,227,000
Committee recommendation	14,227,000

PROGRAM DESCRIPTION

The Office of Government Ethics [OGE], a separate agency within the executive branch, was established by the Ethics in Government Act of 1978 (Public Law 95–521). OGE is charged by law to provide overall direction of executive branch policies designed to prevent conflicts of interest and ensure high ethical standards for executive branch employers. OGE carries out these responsibilities by promulgating and maintaining enforceable standards of ethical conduct for nearly 4 million civilian employees and uniformed service members in more than 130 executive branch agencies and the White House; overseeing a financial disclosure system that reaches 25,000 public and nearly 300,000 confidential filers; providing direct education and training products to 5,600 ethics officials; conducting outreach to the general public, the private sector, and civil society; and sharing good practices with and providing technical assistance to State, local, and foreign governments and international organizations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$14,227,000 for salaries and expenses of the Office of Government Ethics in fiscal year 2011. This amount is \$227,000 above the fiscal year 2010 en-

acted level and the same as the budget request. The Committee encourages OGE to keep the Committee regularly informed of any emerging needs resulting from enactment of any new legislation affecting ethics obligations of executive branch officials and employees.

Funds provided will enable OGE to fulfill its lead role in strengthening ethical culture within the executive branch, preventing conflicts of interest, and promoting good governance. OGE has designed three budget priorities to support these goals. First, OGE is advancing initiatives to modernize Government ethics laws, regulations, and programs, including fully implementing Executive Order 13490 and enhancing oversight of contractor ethics. Second, OGE is harnessing technology to promote transparency, training, and oversight, including creating Ethics.gov as a clearinghouse for ethics documents and developing interactive Web-based training. Third, OGE is working to promote continuity and succession planning in ethics programs, including piloting an ethics official certification program. Experience has shown that public financial disclosure by nominees to Senate-confirmed Presidential appointments is a steady and uninterrupted process throughout an administration and that OGE's transition workload responsibilities are ongoing.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

Appropriations, 2010	\$102,970,000
Budget estimate, 2011	96,439,000
Committee recommendation	96,439,000

PROGRAM DESCRIPTION

The Office of Personnel Management [OPM] was established by Public Law 95-454, the Civil Service Reform Act of 1978, enacted on October 13, 1978. OPM is responsible for management of Federal human resources policy and oversight of the merit civil service system. Although individual agencies are largely responsible for personnel operations, OPM provides a Government-wide framework for human resources policy, advises and assists agencies (often on a reimbursable basis) with workforce planning and personnel matters, and ensures that agency operations are consistent with requirements of law on issues such as veterans preference and merit system compliance. OPM oversees examination of applicants for employment in the competitive service; issues regulations and policies on recruitment, hiring, classification and pay, training, and other aspects of personnel management; and manages the process for personnel security and background checks for suitability and national security clearances. OPM is also responsible for administering the retirement, health benefits, and life insurance programs affecting most Federal employees, retired Federal employees, and their families and survivors.

COMMITTEE RECOMMENDATION

The Committee recommends a general fund appropriation of \$96,439,000 for the salaries and expenses of the Office of Personnel

Management. This amount is \$6,531,000 below the fiscal year 2010 level and the same as the budget request.

The recommendation includes the requested funding for the Enterprise Human Resources Integration project, the Human Resources Line of Business project, and the workforce acquisition initiative.

Retirement Systems Modernization.—Modernization of the retirement records of Federal employees remains a high priority for the Committee. The Committee understands that work planned for fiscal year 2011 includes: modernizing critical calculator and retirement systems; automating the manual paper-based retirement system through electronic data collection and applications; implementing automated tools to improve retirement case processing; and imaging incoming paper retirement records. The Committee believes that the continued involvement of GAO can be of assistance and asks that GAO continue to monitor and provide recommendations on OPM's efforts toward developing and implementing this project. The Committee appreciates receiving OPM's quarterly reports and notes the importance of receiving status update briefings from OPM as developments and milestones occur and future plans are determined.

Intergovernmental Personnel Act Mobility Program and Nursing Shortage.—In April 2010, OPM provided a report to Congress on nursing faculty and the Intergovernmental Personnel Act [IPA] Mobility Program, along with findings and recommendations. The Committee is pleased with OPM's initial efforts regarding the nurse and nurse faculty shortage, including the research conducted, the forum held, the recommendations provided, and the recognition that these efforts are a first step of a larger effort which OPM is leading. The Committee endorses the recommendations in the report and anticipates regular, 6-month updates on next steps, such as conducting additional forums, increasing program awareness, implementing efforts to use IPA to address the shortage, developing partnerships with accredited schools of nursing, and conducting outreach to academic institutions and key stakeholders on possible solutions, collecting and tracking data, as well as other specific recommendations outlined in the report.

Inappropriate Use of Temporary Hiring Authority.—The Committee is aware that continuous and sustained inappropriate use of temporary hiring authority by Federal agencies occurs and that this remains unresolved. These problems date back to the early 1990s and were reported on by the Office of Personnel Management and the Merit Systems Protection Board ("Temporary Federal Employment: In Search of Flexibility and Fairness," Sept. 1994) and again in 2002 by the Government Accountability Office (GAO-02-296). The Committee directs OPM to report on options and recommendations to remedy the inequity no later than 90 days after enactment of this act. Included in the report should be identification of agencies and types of positions where continuous and sustained inappropriate use of temporary hiring authority is occurring. Options to provide competitive status to employees performing regular and recurring work of a permanent nature under a series of temporary appointments should be explored and actions that can

be taken to ensure that Federal agencies use appropriate hiring authorities in the future should be outlined in the report.

LIMITATION

(TRANSFER OF TRUST FUNDS)

Limitation, 2010	\$112,738,000
Budget estimate, 2011	121,738,000
Committee recommendation	121,738,000

PROGRAM DESCRIPTION

These funds will be transferred from the appropriate trust funds of the Office of Personnel Management to cover administrative expenses for the retirement and insurance programs, including the cost of automating the retirement recordkeeping systems.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$121,738,000, which is \$9,000,000 more than the fiscal year 2010 level and the same as the budget request.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriations, 2010	\$3,148,000
Budget estimate, 2011	2,136,000
Committee recommendation	3,322,000

PROGRAM DESCRIPTION

The Office of Inspector General is charged with establishing policies for conducting and coordinating efforts which promote economy, efficiency, and integrity in the Office of Personnel Management's activities which prevent and detect fraud, waste, and mismanagement in the agency's programs. Contract audits provide professional advice to agency contracting officials on accounting and financial matters regarding the negotiation, award, administration, repricing, and settlement of contracts. Internal agency audits review and evaluate all facets of agency operations, including financial statements. Evaluation and inspection services provide detailed technical evaluations of agency operations. Insurance audits review the operations of health and life insurance carriers, healthcare providers, and insurance subscribers. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations. Administrative sanctions debar from participation in the health insurance program those healthcare providers whose conduct may pose a threat to the financial integrity of the program itself or to the well-being of insurance program enrollees.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,322,000 for salaries and expenses of the Office of Inspector General in fiscal year 2011. This amount is \$174,000 more than the fiscal year 2010 enacted level and \$1,186,000 more than the budget request.

(LIMITATION ON TRANSFER FROM TRUST FUNDS)

Limitation, 2010	\$21,215,000
Budget estimate, 2011	20,428,000
Committee recommendation	21,888,000

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on transfers from the trust funds in support of the Office of Inspector General activities totaling \$21,888,000 for fiscal year 2011. This amount is \$673,000 above the fiscal year 2010 enacted level, and \$1,460,000 more than the budget request. Increased funding is provided to maintain staffing levels for oversight of Federal background investigations, to provide for pay and inflation increases, and to meet IG Reform Act mandates.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

Appropriations, 2010	\$9,814,000,000
Budget estimate, 2011	10,467,000,000
Committee recommendation	10,467,000,000

PROGRAM DESCRIPTION

This appropriation covers the Government's share of the cost of health insurance for annuitants covered by the Federal Employees Health Benefits Program and the Retired Federal Employees Health Benefits Act of 1960, as well as administrative expenses incurred by OPM for these programs.

COMMITTEE RECOMMENDATION

The Committee recommends a mandatory appropriation of \$10,467,000,000 for Government payments for annuitants, employees health benefits.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE

Appropriations, 2010	\$48,000,000
Budget estimate, 2011	50,000,000
Committee recommendation	50,000,000

PROGRAM DESCRIPTION

Public Law 96-427, the Federal Employees' Group Life Insurance Act of 1980, requires that all employees under the age of 65 who separate from the Federal Government for purposes of retirement on or after January 1, 1990, continue to make contributions toward their basic life insurance coverage after retirement until they reach the age of 65. These retirees will contribute two-thirds of the cost of the basic life insurance premium, identical to the amount contributed by active Federal employees for basic life insurance coverage. As with the active Federal employees, the Government is required to contribute one-third of the cost of the premium for retirees' basic coverage. OPM, acting as the payroll office on behalf of Federal retirees, has requested, and the Committee has provided, the funding necessary to make the required Government contribu-

tion associated with annuitants' post-retirement life insurance coverage.

COMMITTEE RECOMMENDATION

The Committee recommends a mandatory appropriation of \$50,000,000 for the Government payment for annuitants, employee life insurance.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Appropriations, 2010	\$10,276,000,000
Budget estimate, 2011	10,076,000,000
Committee recommendation	10,076,000,000

PROGRAM DESCRIPTION

The civil service retirement and disability fund was established in 1920 to administer the financing and payment of annuities to retired Federal employees and their survivors. The fund covers the operation of the Civil Service Retirement System and the Federal Employees' Retirement System.

This appropriation provides for the Government's share of retirement costs, transfers of interest on the unfunded liability and annuity disbursements attributable to military service, and survivor annuities to eligible former spouses of some annuitants who did not elect survivor coverage.

COMMITTEE RECOMMENDATION

The Committee recommends a mandatory appropriation of \$10,076,000,000 for payment to the civil service retirement and disability fund.

OFFICE OF SPECIAL COUNSEL

SALARIES AND EXPENSES

Appropriations, 2010	\$18,495,000
Budget estimate, 2011	19,486,000
Committee recommendation	19,486,000

PROGRAM DESCRIPTION

The U.S. Office of Special Counsel [OSC] was first established on January 1, 1979. From 1979 until 1989, it operated as an autonomous investigative and prosecutorial arm of the Merit Systems Protection Board [MSPB]. In 1989, Congress enacted the Whistleblower Protection Act (Public Law 101-12), which made OSC an independent agency within the executive branch. In 1994, the Uniformed Services Employment and Reemployment Rights Act [USERRA] (Public Law 103-353) became law. It defined employment-related rights of persons in connection with military service, prohibited discrimination against them because of that service, and gave OSC new authority to pursue remedies for violations by Federal agencies.

OSC investigates Federal employee and applicant allegations of prohibited personnel practices (including reprisal for whistleblowing) and other activities prohibited by civil service laws, and

when appropriate, prosecutes before the MSPB. OSC provides a secure channel for whistleblower disclosures by Federal employees and applicants, and may transmit whistleblower allegations to the agency head concerned and require an agency investigation. OSC also enforces the USERRA. OSC advises on and enforces the Hatch Act restrictions on political activities by Government employees.

OSC is witnessing a continuing dramatic increase in its caseload. In fiscal year 2009, OSC's intake of cases totaled 3,725 new matters. This was an increase of 19.5 percent over the number of cases received in fiscal year 2008. Of the new matters received by OSC in 2009, 66 percent of the cases were prohibited personnel practice complaints. OSC received 2,463 prohibited personnel practice complaints in 2009, an increase of nearly 18 percent over the number received in 2008. OSC also received 496 new Hatch Act complaints in 2009, which was an 11 percent increase from 2008. While caseloads are up in each OSC unit, the increase in Hatch Act cases is the most pronounced, given that the increased caseload in fiscal year 2009 follows a 58.2 percent increase from 2007 to 2008 in the number of Hatch Act complaints received. OSC issued 3,733 Hatch Act advisory opinions (including oral, e-mail, and written advisory opinions) to persons who sought advice in 2009. In addition, OSC's Disclosure Unit's whistleblower caseload increased to 724 cases in 2009, up nearly 37 percent from 2008. Of these cases, the Disclosure Unit referred matters to agency heads for their review a total of 46 times. Finally, USERRA referral cases increased 173 percent over the 2008 figure, up to 41 cases, during 2009. The Veterans' Benefits Improvement Act of 2008 requires action on these referrals within 60 days of receiving a case from the Department of Labor.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$19,486,000 for the Office of Special Counsel. This amount is \$991,000 above the fiscal year 2010 enacted level and the same as the budget request.

The Committee strongly urges the OSC to work with whistleblower advocacy organizations to promote the highest level of confidence in the Whistleblower Protection Act and the OSC. The Committee acknowledges that OSC continues to experience dramatic growth in its caseload, as a result of heightened awareness of the Hatch Act stemming from media focus on several high-profile cases, a more vigorous focus on complaints under the Uniformed Services Employment and Reemployment Rights Act, and actions under the Whistleblower Protection Act. The Committee encourages the OSC to continue progress made to improve its case processing efficiencies.

POSTAL REGULATORY COMMISSION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2010	\$14,333,000
Budget estimate, 2011	14,450,000
Committee recommendation	14,450,000

PROGRAM DESCRIPTION

The Postal Regulatory Commission is an independent agency that has exercised regulatory oversight over the United States Postal Service since its creation by the Postal Reorganization Act of 1970. For over three decades, that oversight consisted primarily of conducting public, on-the-record hearings concerning proposed rates, mail classification, and major service changes, and recommended decisions for action to the Postal Service Board of Governors.

The Postal Accountability and Enhancement Act (Public Law 109-435) assigned significant new responsibilities to the Commission. These enhanced authorities include providing regulatory oversight of the pricing of Postal Service products and services, ensuring Postal Service transparency and accountability, consulting on delivery service standards and performance measures, consulting on international postal policies, preventing cross-subsidization or other anticompetitive postal practices, and serving as a forum to act on complaints with postal products and services. The Commission provides leadership and recommends policies that foster a robust and viable postal system.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation, out of the Postal Fund, of \$14,450,000 for the Postal Regulatory Commission. This amount is \$117,000 above the fiscal year 2010 enacted level and the same as the budget request. The funds will support 75 FTEs and enable the Commission to meet its mission of ensuring transparency and accountability in postal operations, services, and finances.

The Committee notes that in fiscal year 2011, the Commission will continue its work to evaluate and issue an advisory opinion on the Postal Service's pending delivery frequency proposal, as well as complete work on the Postal Service's exigent rate increase proposal. The Commission will also conduct routine financial reviews and special studies of the Postal Service reports on costs, revenues, rates and services to ensure the applicable methodologies as prescribed by regulations are in compliance. The funding provided will support an upgrade to the Commission's Docket On-line system, which will replace the existing 12-year-old system and enable improved document management and better reporting options to support management oversight. The funding will allow the Commission to continue its efforts in promoting greater transparency and accountability for postal services around the globe. The funding also will enable the Commission to renegotiate its lease space.

The Committee has significant concerns about the fiscal health of the Postal Service and questions whether the existing postal facility network is sustainable. The Committee directs the Postal Regulatory Commission to report to the Committees on Appropriations not later than April 1, 2011, on the potential economic impacts if restrictions on the consolidation or closure of small rural and other small post offices were removed, including an assessment of the benefits and drawbacks of potential closures on access to services, the postal workforce, affected communities, and the fiscal

health of the Postal Service. The report should also include an assessment of how the Postal Service’s efforts to co-locate postal services in grocery stores and other existing retail locations enhances customer access, improves Postal Service revenue, and reduces facility costs.

PRIVACY AND CIVIL LIBERTIES OVERSIGHT BOARD

SALARIES AND EXPENSES

Appropriations, 2010	\$1,500,000
Budget estimate, 2011	1,683,000
Committee recommendation	1,500,000

PROGRAM DESCRIPTION

Recommended by the July 22, 2004 report of the National Commission on Terrorist Attacks Upon the United States (the 9/11 Commission), the Privacy and Civil Liberties Oversight Board [PCLOB] was originally established through the Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108–458). The PCLOB was made a component of the White House Office within the Executive Office of the President.

Under the Implementing Recommendations of the 9/11 Commission Act of 2007 (Public Law 110–53), the PCLOB was reconstituted as an independent agency within the executive branch. The mission of the PCLOB is to (1) 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; and (2) ensure that liberty concerns are appropriately considered in the development and implementation of laws, regulations, and policies related to efforts to protect the Nation against terrorism.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,500,000 for the PCLOB. The Committee strongly supports the mission of the PCLOB. This amount is the same as the fiscal year 2010 enacted level and \$183,000 below the budget request. The Committee notes that the former Board ceased operations on January 30, 2008 with the intention that a new, more independent Board would be instituted in its place. The Committee is seriously concerned that now, 30 months later, the new PCLOB has not yet been reconstituted and staffed as required by Public Law 110–53. The Committee urges the administration to nominate members to the PCLOB as expeditiously as possible. The Committee urges the PCLOB, once it is reconstituted, to promptly provide a detailed budget justification to the Committee.

SECURITIES AND EXCHANGE COMMISSION

SALARIES AND EXPENSES

Appropriations, 2010	\$1,111,000,000
Budget estimate, 2011	1,258,483,000
Committee recommendation	1,300,000,000

PROGRAM DESCRIPTION

The Securities and Exchange Commission [SEC] is an independent agency responsible for administering many of the Nation's laws regulating the areas of securities and finance.

The mission of the SEC is to administer and enforce Federal securities laws in order to protect investors, maintain fair, honest, and efficient markets, and promote capital formation. This includes ensuring full disclosure of financial information, regulating the Nation's securities markets, and preventing and policing fraud and malpractice in the securities and financial markets. The strength of the American economy and our Nation's financial markets is dependent upon investors' confidence in the financial disclosures and statements released by publicly traded companies. The SEC, as the investor's advocate, oversees more than 35,000 registrants including 10,000 public companies, 7,800 mutual funds, 11,500 investment advisers, 600 transfer agents, and 5,400 broker dealers.

COMMITTEE RECOMMENDATION

The Committee recommends a total budget (obligational) authority of \$1,300,000,000 for the salaries and expenses of the SEC, including \$1,300,000,000 from new fee collections. This total funding level is \$189,000,000 above the fiscal year 2010 enacted level, not including emergency funds provided in the Supplemental Appropriations Act, 2009 (Public Law 111-32) and made available for 2 years, and \$41,517,000 above the budget request. The Committee directs the SEC to submit, within 30 days of enactment, a detailed spending plan for the allocation of these funds, including staffing projections and planned investments in information technology.

With the markets experiencing a steady increase in the number of complex securities products and market participants and in light of problems plaguing the credit markets as a result of subprime lending, it is imperative that our Nation's top securities regulator has the resources to effectively meet its mandate.

The Committee's recommended funding increase would allow the SEC to more aggressively police the securities markets through examinations and enforcement actions, strengthen SEC's examination responsibilities, enhance risk-based oversight of the investment management industry, and expand inspections of credit rating agencies and permit SEC to conduct more comprehensive examinations, reach a broader universe of the entities it regulates, and improve its ability to uncover and prosecute fraud.

The Committee strongly believes that fair and orderly markets are essential to restore public confidence in and bolster the integrity of our capital markets. The Committee emphasizes that with this significant recommended funding increase comes a concomitant responsibility on the part of the SEC to aggressively safeguard the investing public. The SEC must be vigilant in its enforcement of securities laws, and failures to properly investigate and take appropriate action will not be condoned.

In addition, the recommended increase would support urgent, critical investments in information technology upgrades so that SEC staff are equipped with cutting edge automation support tools to enhance their ability to promptly handle tips, complaints, and

referrals as well as to better identify emerging risks using improved surveillance tools. The Committee expects the SEC to implement key controls to effectively safeguard the confidentiality, integrity, and availability of its financial and sensitive information and systems.

The Committee recognizes that over the past year, with enhanced funding provided in fiscal year 2010, the SEC has addressed many agency shortcomings and has produced tangible results. The SEC has restructured its Enforcement Division and streamlined procedures; removed a layer of middle management by redeploying dozens of attorneys back to the front lines; hired a cadre of seasoned experts in the new Division of Risk, Strategy, and Financial Innovation to assess complex financial systems; added new measures to encourage corporate insiders to come forward with evidence of wrongdoing; sought more than twice the number of temporary restraining orders and asset freezes compared to the previous year; issued well over twice as many formal orders of investigation; obtained about \$540,000,000 more in disgorgement orders and more than twice as much in penalty orders; filed nearly 10 percent more actions overall, including nearly twice as many involving Ponzi-like schemes; began revamp of technology to better consolidate and focus handling of voluminous tips and complaints; adopted new guidelines and protocols governing how tips should be handled; and began to improve its inspections program and place greater reliance on risk assessment.

With the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203), the SEC faces a significant increase in the scope of its responsibilities. Under the new law, the SEC is charged with bringing transparency and accountability to the derivatives market through co-regulation of the over-the-counter derivatives market, oversight of the mandatory derivatives clearance requirement, enforcement of data collection and publication requirements; and imposition of capital and margin requirements on swap dealers and major swap participants. In addition, the law requires hedge fund and private equity advisors to register with the SEC as investment advisers and provide information about their trades and portfolios to the SEC that will in turn use the data to assess systemic risk. Furthermore, the SEC is authorized to promulgate rules imposing a fiduciary duty on broker-dealers and investment advisers to protect retail customers; and granted enhanced authority to conduct investigations, impose liability on control persons, and assess penalties for violations of the securities laws. SEC may exercise broad authority to regulate credit ratings agencies. It is authorized to write rules allowing shareholders to nominate candidates for an issuer's board of directors, and to have such candidates listed on the issuer's own proxy materials. Most of the regulations, as well as mandated studies, must be issued under tight statutory deadlines.

At the Committee's direction, the GAO reviewed and assessed the joint report issued in October 2009 by the SEC and the Commodity Futures Trading Commission [CFTC] on harmonization of their regulatory approaches. The Committee urges the SEC, in collaboration with the CFTC, to heed the recommendation of the GAO that the agencies take steps to establish, with associated time-

frames, clearer goals for future harmonization efforts and requirements for reporting and evaluating progress toward these goals. The Committee underscores that the joint report issued in October 2009 did not address the issue of gaps in the agencies' authorities to oversee over-the-counter derivatives, which were the subject of congressional deliberation at the time. With the enactment of Public Law 111-203, it is all the more critical to identify these gaps and ensure optimum harmonization in executing the respective oversight responsibilities of each agency with respect to over-the-counter derivative products. The Committee expects the SEC and the CFTC to limit, to the greatest extent possible, inconsistent regulation of similar products and entities that could lead to opportunities for regulatory arbitrage. The Committee continues to support the use of funds to support the Joint SEC-CFTC Advisory Committee.

The Committee remains concerned that American investors may be unwittingly investing in companies with ties to countries that sponsor terrorism or are linked to human rights violations. The Committee believes that a company's association with sponsors of terrorism and human rights abuses, no matter how large or small, can have a materially adverse result on a public company's operations, financial condition, earnings, and stock prices, all of which can negatively affect the value of an investment. In order to protect American investors' savings and to disclose these business relationships to investors, an Office of Global Security Risk was established within the Division of Corporation Finance. The Committee notes that under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203), public companies will be required to provide disclosure to the SEC in matters involving conflict minerals, extractive industries, and mining safety matters. The Committee understands that the SEC will be implementing the requirements, as directed, in the coming months. The Committee expects the work of the Office to remain a high priority during fiscal year 2011 and directs the SEC to continue to submit quarterly reports on its activities.

The Committee is concerned that current SEC regulations leave broad discretion to companies to decide if disclosure of their activities is required with respect to business interests in or with a state sponsor of terrorism. Companies are only required to make disclosures in cases where the companies judges the information is "material" to investors or is necessary to ensure a required statement is not misleading. In November 2007, the SEC issued a concept release seeking comment about whether to develop a new mechanism to facilitate greater access to companies' disclosures concerning their business activities in or with state sponsors of terrorism. The comment period ended on January 22, 2008 and the SEC has taken no action since that time. The Committee believes that business conducted by a publicly traded company that could subject such company to sanctions should be considered material and disclosed. Therefore, the Committee directs the Commission to issue final rules that require each issuer to disclose activities that may subject it to sanctions under section 5 of the Iran Sanctions Act of 1996.

The Committee commends the SEC for issuing an interpretive release, as recommended by the Committee, which provides guid-

ance to public companies regarding disclosure requirements with respect to climate change matters.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

Appropriations, 2010	\$24,275,000
Budget estimate, 2011	25,400,000
Committee recommendation	25,400,000

PROGRAM DESCRIPTION

The Selective Service System is an independent Federal agency, operating with permanent authorization under the Military Selective Service Act (50 U.S.C. App. 451 et seq.). The agency is not part of the Department of Defense, but its basic mission is to be prepared to supply manpower to the Armed Forces adequate to ensure the security of the United States during a time of national emergency. Since 1973, the Armed Forces have relied on volunteers to fill military manpower requirements. However, the Selective Service System remains the primary vehicle by which personnel will be brought into the military if Congress and the President should authorize a return to the draft.

In December 1987, Selective Service was tasked by law (Public Law 100-180, sec. 715) to develop plans for a post-mobilization healthcare personnel delivery system capable of providing the necessary critically skilled healthcare personnel to the Armed Forces in time of emergency. An automated system capable of handling mass registration and inductions is now complete, together with necessary draft legislation, a draft Presidential proclamation, prototype forms and letters, and other products. These products will be available should the need arise. The development of supplemental standby products, such as a compliance system for healthcare personnel, continues using very limited existing resources.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$25,400,000 for the Selective Service System. This amount is \$1,125,000 above the fiscal year 2010 enacted level and the same as the budget request.

The Committee supports the additional resources devoted to upgrading the Service's information technology systems. Modernization with security upgrades of the Registration, Compliance, and Verification information technology system will help improve business processes and national registration compliance statistics while sustaining an all-volunteer military recruiting effort. It will also ensure more accurate and expeditious processing of registrations, enable more secure storage of personally identifiable information, facilitate improved customer services through the Internet, and promote tighter internal controls.

SMALL BUSINESS ADMINISTRATION

Appropriations, 2010 ¹	\$1,089,016,000
Budget estimate, 2011	994,187,000
Committee recommendation	1,102,986,000

¹ Includes \$125,000,000 provided in the Department of Defense Appropriations Act, 2010 (Public Law 111-118), \$60,000,000 provided in the Temporary Extension Act of 2010 (Public Law 111-144), and \$80,000,000 provided in the Continuing Extension Act of 2010 (Public Law 111-157).

The Committee recommendation provides \$1,102,986,000 for the Small Business Administration [SBA]. The recommendation is \$13,970,000 above the fiscal year 2010 enacted level, which included funds provided in a series of extensions of the American Recovery and Reinvestment Act of 2009, and is \$108,799,000 above the budget request. Funding is distributed among the SBA appropriation accounts as described below.

The Committee appreciates SBA's timely responsiveness to multiple requests for information from the Committee, particularly related to small business lending programs. Additionally, the Committee expects that the operating plan for fiscal year 2011 and other required written reports will be submitted within the specified timeframe in the future.

The Committee has been frustrated that recent SBA congressional justifications have been unnecessarily complicated. The Committee directs SBA to revise the format of the congressional justification for fiscal year 2012 so that the budget detail provided ties directly to enacted and requested appropriated amounts.

SALARIES AND EXPENSES

Appropriations, 2010	\$433,438,000
Budget estimate, 2011	446,036,000
Committee recommendation	464,000,000

The Committee recommendation provides \$464,000,000 for salaries and expenses of the SBA. The recommendation is \$30,562,000 above the fiscal year 2010 enacted level and is \$17,964,000 above the budget request.

Non-credit Business Assistance Programs.—Within the amounts made available under this heading, the Committee recommendation provides \$194,680,000 for the SBA non-credit business assistance programs. The recommendation is \$20,931,000 above the budget request and \$9,330,000 above the 2010 enacted level.

The Committee recommendations for non-credit business assistance, by program, are displayed in the following table:

NON-CREDIT BUSINESS ASSISTANCE PROGRAMS

[In thousands of dollars]

	Fiscal year 2010 enacted	Fiscal year 2011 budget estimate	Committee recommendation
Small Business Development Centers	113,000	113,000	117,500
Drug-free Workplace Grants	1,000	1,030	1,030
SCORE	7,000	7,000	7,750
Women's Business Centers	14,000	14,000	15,000
Women's Business Council	1,000	1,900	1,900
Microloan Technical Assistance	22,000	10,000	22,000
Veterans Programs	2,500	2,500	3,000
PRIME	8,000	3,469	8,000

NON-CREDIT BUSINESS ASSISTANCE PROGRAMS—Continued

[In thousands of dollars]

	Fiscal year 2010 enacted	Fiscal year 2011 budget estimate	Committee recommendation
Native American Outreach	1,250	1,250	2,000
7(j) Technical Assistance	3,400	3,400	4,000
HUBZone	2,200	2,200	2,500
Hispanic Business Centers			1,000
Entrepreneurial Development Initiative	10,000	11,000	9,000
Emerging Leaders		3,000	(¹)
Total, Non-credit Business Assistance Programs	185,350	173,749	194,680

¹ Included in Entrepreneurial Development Initiative.

The Committee directs that the amounts provided for SBA's Non-Credit Business Assistance Programs, as specified in the table above, shall be administered in the same manner as previous years and shall not be reduced, reallocated, or reprogrammed to provide additional funds for other programs, initiatives, or activities.

The Committee continues to support the Small Business Development Center [SBDC] Program and recommends \$117,500,000 for fiscal year 2011, an increase of \$4,500,000 above both the budget request and the fiscal year 2010 enacted level. The SBDC network—which encompasses over 900 service centers across the Nation—provides management and technical assistance to an estimated 1.2 million small business owners and aspiring entrepreneurs each year. As the economy struggles, SBDCs have reported a significant increase in demand for their expertise as businesses seek guidance on how to weather the economic downturn and as newly unemployed Americans look for advice on starting a small business as a new career path. Providing support for SBDCs is more critical than ever as our economy works to recover and grow. In particular, the Committee urges SBA, in cooperation with alternative financial institutions and regional development agencies, to increase the focus of the SBDC program on providing technical and financial assistance to entrepreneurs investing in development and economic diversification in Appalachia.

The Committee recommends \$1,000,000 for a Hispanic Business Centers pilot program to provide financial assistance to educational institutions, nonprofit organizations, and State and local departments and agencies providing management and technical assistance to Hispanic small businesses. Hispanic-owned businesses are growing at a rapid rate. The United States Census Bureau reports that between 2002 and 2007, the total number of U.S. companies increased by 18 percent while the number of Hispanic-owned businesses grew by 41 percent. The recommended Hispanic Business Centers pilot program will demonstrate the potential to spur economic growth and job creation through Hispanic-owned small businesses by increasing access and availability of counseling and technical assistance. The Committee directs SBA to consider the Women's Business Centers program as a model for the Hispanic Business Centers pilot program.

The Committee recommends that up to \$9,000,000 shall be available for the Entrepreneurial Development program administered by the SBA, including for the Emerging Leaders Initiative proposed

in the budget. That amount is \$1,000,000 below the fiscal year 2010 enacted level and \$5,000,000 below the budget request. The Committee directs the SBA to allocate such funds to the maximum extent possible to its current partners—namely, SBDCs, Women’s Business Centers, the Service Corps of Retired Executives [SCORE], and Veterans Business Outreach Centers. These partners will provide an experienced infrastructure for meeting the goals of the Entrepreneurial Development initiative. The Committee notes that the amounts recommended for SBA’s Non-Credit Business Assistance Programs, as specified in the table above, shall be administered in the same manner as previous years and shall not be reduced, reallocated, or reprogrammed to provide additional funds for this or any other program. The Committee directs SBA to report to the Committee on Appropriations within 30 days of enactment on the strategies and goals of each initiative, methodologies for assessing the performance of each initiative and each individual project selected under each initiative, and methodologies planned for selection of individual projects and recipients. The Committee also directs SBA to provide to the Committee on Appropriations within 30 days of enactment an operating plan detailing funding planned for grants, contracts, and salaries and expenses of both current and new SBA employees, including travel expenses. Such plan shall individually address each proposed initiative. The Committee directs SBA to notify the Committee on Appropriations not less than 15 days prior to obligation of funds provided for the Entrepreneurial Development program.

The Committee recommends \$22,000,000 for grants to Microloan intermediaries under the Microloan program for marketing, management, and technical assistance provided to borrowers. An additional \$4,000,000 is recommended under the heading “Business Loans Program Account” to support lending under the Microloan program. The Committee includes a provision that, for funding provided for fiscal year 2011, temporarily increases the maximum amount of grant funding eligibility for qualified Microloan intermediaries. This temporary condition will provide relief to Microloan intermediaries that are providing increased assistance to Microloan borrowers during the economic downturn.

The Committee supports funding for veterans programs and veterans business outreach centers and provides \$3,000,000 for veterans programs, an increase of \$500,000 above both the budget request and the fiscal year 2010 enacted level to support additional grants to veterans business outreach centers. When determining the allocation of the additional funding, the Committee strongly encourages SBA to consider centers with significant experience in conducting outreach to veterans, including those previously receiving Federal funding.

Operating Expenses.—Within the amounts made available under this heading, the Committee recommendation provides \$269,320,000 for SBA’s operating expenses. The recommendation is \$21,232,000 above the 2010 enacted level and is \$2,967,000 below the budget request. The funding recommendations are made in accordance with the information included in the budget justification, with the following exceptions: \$15,347,000 instead of \$18,347,000 is provided to continue the modernization of SBA’s loan management

and accounting systems, an increase of \$2,000,000 is provided for the Federal and State Technology Partnership Program, and a reduction of \$1,967,000 is allocated for efficiency savings.

Within the amounts recommended for SBA's operating expenses, \$15,347,000 is provided for the agency-wide effort to modernize SBA's loan management and accounting systems. Current systems are outdated and limit capabilities, and new systems are needed to enhance the management of SBA's \$90,000,000,000 loan portfolio. The Committee continues to be concerned about the risks inherent in such a relatively large acquisition, including risks related to contractor oversight. The Committee directs the agency to place a top priority on ensuring a successful acquisition of and transition to the new systems because the final product will have a long-term impact on SBA's capabilities and effectiveness as an agency. SBA shall submit a quarterly written report to the Committee on Appropriations summarizing the agency's progress regarding the modernization effort, including milestones planned and achieved and progress on cost and schedule.

In light of the increased need to assist small businesses that have been affected by manufacturing closures across the country, the Committee directs SBA, in consultation with local district offices, to review vacant Regional Manager positions, especially positions which have remained vacant for several years, to ensure adequate services for small businesses.

The Committee notes that the small business timber sale set-aside program is designed to serve many small rural communities and small timber mills. The Committee directs the Administrator to coordinate with the Forest Service and the Bureau of Land Management and provide a written report to the Committee within 60 days of enactment detailing SBA's current and planned activities related to communication with timber businesses in small rural communities.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2010	\$16,300,000
Budget estimate, 2011	18,000,000
Committee recommendation	18,000,000

The Committee recommendation provides \$18,000,000 for the Office of Inspector General. The recommendation is \$1,700,000 above the fiscal year 2010 enacted level and is the same as the budget request.

The Committee directs the Inspector General to continue routine analysis and reporting on SBA's modernization of its loan management and accounting systems, including acquisition, contractor oversight, implementation, and progress regarding budget and schedule.

SURETY BOND GUARANTEES REVOLVING FUND

Appropriations, 2010	\$1,000,000
Budget estimate, 2011	1,000,000
Committee recommendation	1,000,000

The Committee recommendation provides \$1,000,000, the same as the fiscal year 2010 enacted level and the budget request.

BUSINESS LOANS PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2010 ¹	\$501,000,000
Budget estimate, 2011	326,151,000
Committee recommendation	356,386,000

¹ Includes \$125,000,000 provided in the Department of Defense Appropriations Act, 2010 (Public Law 111-118), \$60,000,000 provided in the Temporary Extension Act of 2010 (Public Law 111-144), and \$80,000,000 provided in the Continuing Extension Act of 2010 (Public Law 111-157).

The Committee recommendation provides \$356,386,000. The recommendation is \$144,614,000 below the fiscal year 2010 enacted level, which included funds provided in a series of temporary extensions of the American Recovery and Reinvestment Act of 2009, and is \$30,235,000 above the budget request.

The recommendation provides \$157,000,000 for administrative expenses, which may be transferred to and merged with SBA salaries and expenses to cover the common overhead expenses associated with the business loans programs.

The recommendation provides \$4,000,000 for the Microloan direct loan program. An additional amount of \$22,000,000 is recommended under the heading "Salaries and Expenses" for technical assistance grants to Microlending intermediaries. The Committee directs SBA to continue to conduct outreach to existing financial entities that may be well-suited to participate in the Microloan program so that the program can grow and expand access to microcapital across the country. SBA shall submit a written report to the Committee on Appropriations within 90 days of enactment summarizing the agency's plans for expanding the reach of the Microloan program.

The recommendation provides \$195,386,000 to subsidize the 7(a) guaranteed loan program. For a typical year, estimated fees collected from lenders and borrowers fully offset estimated Government payments on losses under the 7(a) program. However, the budget requests additional funding for fiscal year 2011 because fee collections are not expected to offset the cost to the Government for that year due to changes in assumptions related to the economic downturn. The recommended funding will allow SBA to continue operating the 7(a) program in fiscal year 2011. The Committee expects the program to return to typical operation when the economy recovers. This amount is \$30,000,000 above the budget request for guaranteed loans because the budget request assumes the implementation of proposed legislation that has not yet been enacted.

Data Collection on Small Business Lending.—The Committee is concerned that limited collection of timely, relevant data on small business lending has made it difficult to quantify the impact of the economic crisis, and the impact of various responses to the crisis, on small business access to credit. Sources of information are often limited to anecdotal evidence and survey data, particularly with regard to the demand for credit. Additionally, with regard to the supply of credit, the majority of current business lending data reflects bank inventory but not new loan originations.

The need for timely, robust data to reflect both credit supply and demand has been widely noted, including in the May 2010 Congressional Oversight Panel report titled "The Small Business Credit

Crunch and the Impact of the TARP.” The Committee directs SBA, in coordination with the Federal Reserve, to submit a written report to the Committee within 90 days of enactment on the feasibility and benefits of enhanced data collection on small business lending, including but not limited to data on loan origination and loan size.

DISASTER LOANS PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2010	\$78,278,000
Budget estimate, 2011	203,000,000
Committee recommendation	203,000,000

The Committee provides \$203,000,000 for the Disaster Loans program. The recommendation is \$124,722,000 above the fiscal year 2010 enacted level and is equal to the budget request. Any direct loan subsidies required in fiscal year 2011 will be derived from available unobligated balances. As always, SBA is urged to seek out emergency funding in the event of a disaster requiring loan assistance.

ADMINISTRATIVE PROVISIONS—SMALL BUSINESS ADMINISTRATION

Section 520 continues a provision concerning transfer authority and availability of funds.

Section 521 provides that all disaster loans issued in Alaska or North Dakota shall not be sold.

Section 522 makes a technical correction to Public Law 111–8 and Public Law 111–117.

Section 523 makes an adjustment to the net worth threshold for the 8(a) business development program.

Section 524 provides \$60,600,000 for small business development and entrepreneurship initiatives, including programmatic and construction activities, to be awarded as follows:

Agency	Project	Amount
SBA	4 Ag Hawaii, Improved Food Security through Small Business Development, Haleiwa, HI	\$300,000
SBA	ACCION USA, Womens Link Program, for training and technical assistance for women-owned microenterprises, New York, NY.	125,000
SBA	AccountAbility Minnesota for financial services assistance, St. Paul, MN	125,000
SBA	Alaska Fisheries Development Foundation, Utilization of Seafood Processing Waste and Product Development, Naknek, AK.	299,000
SBA	Anchorage Community Land Trust for a financial literacy and community development program, Anchorage, AK.	200,000
SBA	Ben Franklin Technology Partners, Manufacturing Pennsylvania’s Future commercialization initiative, PA.	50,000
SBA	Benedictine University, Small business training program, Lisle, IL	250,000
SBA	Big Sky Economic Development Authority for operating expenses of a revolving loan fund, Billings, MT.	100,000
SBA	Boise State University, Entrepreneurial Initiative, Boise, ID	150,000
SBA	Bradley University, small business training program, Peoria, IL	400,000
SBA	California Hispanic Chambers of Commerce, California Small Business Construction Initiative, Sacramento, CA.	500,000
SBA	Carnegie Mellon University, Carnegie Mellon Manufacturing Accelerator, Pittsburgh, PA	100,000
SBA	Case Western Reserve University, Northern Ohio Structural Laboratories: Advanced Instrumentation for Northeast Ohio’s Bio-imaging Cluster, Cleveland, OH.	125,000
SBA	Center for Rural Affairs, New Entrepreneurial Initiatives for Rural Nebraska, Lyons, NE	100,000
SBA	Center for Rural Entrepreneurship, Nebraska Entrepreneur Initiative, Lincoln, NE	175,000
SBA	Central Corridor’s Hmong Business Center, St. Paul, MN	150,000
SBA	Chicago House and Social Service Agency, job training program, Chicago, IL	400,000

Agency	Project	Amount
SBA	City of Carson City, High Tech Business Collaborative, Carson City, NV	400,000
SBA	City of Chicago, workforce retraining program, Chicago, IL	450,000
SBA	City of Denver, Denver Office of Strategic Partnerships Sustainability Project, Denver, CO	500,000
SBA	City of Gallup, Kachina business incubator and redevelopment efforts, Gallup, NM	100,000
SBA	City of Port Huron Economic Redevelopment Initiative, Port Huron, MI	100,000
SBA	City of St. Cloud, Comprehensive Downtown Economic Development Plan and Program, St. Cloud, MN.	125,000
SBA	Colorado State University, Sustainable Biofuels Development Center, Ft. Collins, CO	200,000
SBA	Dakota Rising Rural Entrepreneur Fellowship Program, South Dakota Rural Enterprise, Sioux Falls, SD.	250,000
SBA	Dartmouth Regional Technology Center for additional business incubator space and support, Lebanon, NH.	100,000
SBA	Davidson Green Business Incubator Initiative, Davidson, NC	100,000
SBA	Downtown Salem Revitalization Toolbox program for economic development, Salem, OR	150,000
SBA	Eastern Connecticut State University, Center for Economic, Financial and Entrepreneurship Education, Willimantic, CT.	150,000
SBA	Fay-Penn Economic Development Council, Local Economy Initiative, Fayette County, PA	50,000
SBA	Finlandia University and Jutila Center for Global Design and Business, business incubator, Hancock, MI.	100,000
SBA	First State Community Loan Fund, for small business and community development technical assistance, Wilmington, DE.	175,000
SBA	Grambling State University, Expanding Minority Entrepreneurship Regionally Across the Louisiana Delta (EMERALD), Grambling, LA.	137,500
SBA	Great Falls Development Authority, High Plains Financial Intermediary Loan Fund, for operating expenses of programs supporting small business development, Great Falls, MT.	125,000
SBA	Greater Bridgeport Community Enterprises, Urban Green Business Incubator, Bridgeport, CT	150,000
SBA	Greater Cedar Valley Alliance, Bi-State Entrepreneurial Development Initiative, IA	150,000
SBA	Greater New Orleans regional economic alliance for Green New Orleans, a green business and jobs initiative, New Orleans, LA.	137,500
SBA	Greene County Department of Economic Development, Business Park Development Project, Waynesburg, PA.	50,000
SBA	Harford County, Maryland, Aberdeen Proving Ground Technical Assistance Business Development Office, Bel Air, MD.	100,000
SBA	Hartford Economic Development Corporation, Business Resource Center, Hartford, CT	150,000
SBA	Institute for Entrepreneurial Leadership for technical assistance to minority and women business owners, Newark, NJ.	100,000
SBA	International Trade Alliance, Washington BRIC Export Initiative, Spokane, WA	200,000
SBA	Jackson State University for Economic and Community Development Through Heritage Tourism, Jackson, MS.	650,000
SBA	Jefferson Local Development Corporation for operating expenses of a revolving loan fund to support small business development, Whitehall, MT.	150,000
SBA	Johnson and Wales University, Higher Education Consortium for Rhode Island Entrepreneurship, Providence, RI.	200,000
SBA	Johnson State College, Upward Bound, Lamoille County, VT	50,000
SBA	Kaskaskia College, job counseling and training initiative, Centralia, IL	150,000
SBA	Kennebec Valley Council of Governments, Rural Maine Employment Initiative, Fairfield, ME	400,000
SBA	Lawrence-Douglas County Biosciences Authority, Bioscience & Technology Business Center, Lawrence, KS.	125,000
SBA	Lewis and Clark Community College, job counseling and training initiative, Godfrey, IL	150,000
SBA	Lincoln County, Alamo Industrial Park Development, Alamo, NV	150,000
SBA	Lyndon State College, Center for Business Education and Rural Entrepreneurship, Lyndonville, VT.	250,000
SBA	Midcoast Regional Redevelopment Authority, Brunswick Science and Technology Business Incubator, Brunswick, ME.	750,000
SBA	Midwest China Hub Commission, St. Louis, MO	1,000,000
SBA	Mississippi State University Entrepreneurship Center, Starkville, MS	650,000
SBA	Mississippi Technology Alliance, Center for Innovation and Entrepreneurship, Ridgeland, MS.	1,000,000
SBA	Montclair State University, Institute for Sustainability Studies Business Incubator, Montclair, NJ.	275,000
SBA	Mount Washington Valley Economic Council, North Country Small Business Education Center, Conway, NH.	100,000
SBA	National Centers of Excellence Regional Technology Deployment Pilot Project, Orem, UT	600,000
SBA	Nevada Center for Entrepreneurship and Technology, Small Business Entrepreneur Training, Reno, NV.	150,000

Agency	Project	Amount
SBA	Northeast Organic Farming Association of Vermont, Farmer-to-Farmer Mentor Program for business development, Chittenden County, VT.	75,000
SBA	Northern Kentucky University College of Informatics, Highland Heights, KY	250,000
SBA	Northern Maine Acadian Development, Madawaska, ME	1,000,000
SBA	Northern Michigan University Upper Peninsula Center for Community and Economic Development, Marquette, MI.	100,000
SBA	Ohio University, Small Business Development for Appalachian Ohio's Emerging Biomass Industry, Athens, OH.	125,000
SBA	Oregon International Port of Coos Bay for the business center incubator, Coos Bay, OR	125,000
SBA	Pellissippi Research Centre on the Oak Ridge Corridor, Alcoa, TN	650,000
SBA	PIPELINE Entrepreneurial Fellowship, KS	125,000
SBA	Portland Community College, Swan Island Training Center, Portland, OR	125,000
SBA	Prince George's County, Maryland, Africa Trade Office "Farm to Port" project, Largo, MD	100,000
SBA	Regional Development Corporation, New Mexico Youth Entrepreneurship Network, Santa Fe, NM.	100,000
SBA	Research and Technology Institute of West Michigan for InnovationWorks, technical assistance to inventors, entrepreneurs, and existing businesses, Grand Rapids, MI.	100,000
SBA	Rock Valley College, job training and small business counseling program, Rockford, IL	200,000
SBA	Rural Enterprise of Oklahoma, Small Business Resource Center, Cameron University, Lawton, OK.	100,000
SBA	Rutgers, The State University of New Jersey, Newark Campus, New Jersey Entrepreneurship Development Initiative, Newark, NJ.	100,000
SBA	Safer Foundation, transitional employment program, Chicago, IL	275,000
SBA	Saint Xavier University, Minority small business initiative, Chicago, IL	250,000
SBA	Saratoga Economic Development Corporation, Saratoga Springs, NY	100,000
SBA	Sauk Valley Community College, Job training and certification program, Dixon, IL	226,000
SBA	Seminole State College's Economic Development Program for Business Recruitment and Retention, Seminole, OK.	100,000
SBA	Sirti Foundation for capacity building and education, technical assistance, and training for technology entrepreneurship, Spokane, WA.	500,000
SBA	Souris Basin Regional Planning Council, North Dakota Rural Economic Area Partnership Zones, Minot, ND.	300,000
SBA	Student Assistance Foundation for a financial education program, Helena, MT	100,000
SBA	Taos Pueblo village economic development, Taos, NM	100,000
SBA	Tapetes de Lana for economic development, Mora, NM	100,000
SBA	The Enterprise Center, Minority Business Development Initiative, Philadelphia, PA	100,000
SBA	The Greater Harlem Chamber of Commerce, Upper Manhattan Tourism and Tourism Related Small Business Initiative, New York, NY.	125,000
SBA	The Nussbaum Center for Entrepreneurship, Business Incubator Renovation, Greensboro, NC	100,000
SBA	University at Albany, State University of New York, National Clearinghouse for Research and Education in Financial Market Regulation, Albany, NY.	100,000
SBA	University of Alabama, Rural Health Entrepreneurial Development Project, Tuscaloosa, AL	1,250,000
SBA	University of Arkansas at Little Rock, Small Business Innovation Center, Little Rock, AR	275,000
SBA	University of Arkansas at Pine Bluff, Business Support Incubator, Pine Bluff, AR	275,000
SBA	University of Delaware, Delaware Small Business Development Center, Newark, DE	175,000
SBA	University of Louisiana at Monroe, Business Incubator Renovation, LA	100,000
SBA	University of Maine at Farmington, Western Maine Rural Small Business Initiative, Farmington, ME.	550,000
SBA	University of Memphis, Memphis Center for Entrepreneurship and Innovation, Memphis, TN	400,000
SBA	University of Mississippi, Technology Commercialization Initiative, Oxford, MS	250,000
SBA	University of Nevada Reno, Veteran Business and Workforce Development Initiative, Reno, NV.	150,000
SBA	University of Northern Iowa, MyEntre.Net, A National Entrepreneurship Support Network, Cedar Falls, IA.	250,000
SBA	University of Rhode Island Research Foundation, for technical assistance and outreach to support start-up and emerging businesses, South Kingstown, RI.	250,000
SBA	University of South Florida Business Incubator Project, Bartow, FL	200,000
SBA	University of Southern California, Center for Community Development, Los Angeles, CA	500,000
SBA	University of Southern Mississippi, Early Stage Entrepreneur/Commercialization Development, Hattiesburg, MS.	650,000
SBA	University of Wisconsin-Milwaukee for business development related to clean water technologies, Milwaukee, WI.	250,000
SBA	Urban League of Philadelphia Entrepreneurship Center, Philadelphia, PA	50,000
SBA	Vermont Worker's Center, financial literacy workshops, Chittenden County, VT	75,000
SBA	Virginia Community College System, Virginia Veterans Workforce Development Project, Richmond, VA.	400,000

Agency	Project	Amount
SBA	Washington Hancock Community Agency, Rural Business Energizer Program, Milbridge, ME	200,000
SBA	West Virginia University at Parkersburg, downtown center economic development, Parkersburg, WV.	250,000
SBA	Western Kentucky University Bowling Green Data Center, Bowling Green, KY	750,000
SBA	Western Nevada College, Advanced Manufacturing Workforce Collaborative, Carson City, NV	150,000
SBA	Western New England College for an entrepreneurship initiative, Springfield, MA	100,000
SBA	Western Washington University, National Center for Economic Vitality, Bellingham, WA	300,000
SBA	Williston State College for developing curriculum and delivery methods to address workforce shortage, Williston, ND.	100,000
SBA	Wilmington College, Kettering Agriculture and Life Science Small Business incubator, Wilmington, OH.	200,000
SBA	World Trade Center Institute Delaware, Online Training Program, Wilmington, DE	50,000
SBA	YWCA Malden, Financial Education and Advancement for Micro-Enterprises and At-Risk Families, Malden, MA.	100,000

UNITED STATES POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

Appropriations, 2010	\$118,328,000
Budget estimate, 2011	103,905,000
Committee recommendation	103,905,000

PROGRAM DESCRIPTION

The Post Office dates back to 1775. It became the Postal Service in 1971 as an independent establishment of the executive branch of the United States Government. The Postal Service's basic function and obligation is to provide postal services to bind the Nation together through the personal, educational, literary, and business correspondence of the people. Its mission is to provide prompt, reliable, and efficient services to patrons in all areas and render postal services to all communities.

COMMITTEE RECOMMENDATION

The Committee recommends appropriations totaling \$103,905,000 for payment to the Postal Service Fund, a decrease of \$14,423,000 below the fiscal year 2010 enacted level and the same as the budget request.

This amount includes \$29,000,000 for revenue forgone on free and reduced-rate mail pursuant to 39 U.S.C. 2401(d). The recommendation also includes \$74,905,000 as an advance appropriation for fiscal year 2012, which includes \$68,914,000 for 2011 costs and \$5,991,000 for the 2008 reconciliation adjustment.

Revenue forgone on free and reduced-rate mail enables postage rates to be set at levels below the unsubsidized rates for certain categories of mail as authorized by subsections (c) and (d) of section 2401 of title 39, United States Code. Free mail for the blind and for overseas voters will continue to be provided at the funding level recommended by the Committee.

The Committee includes provisions in the bill that would assure that mail for overseas voting and mail for the blind shall continue to be free; that 6-day delivery and rural delivery of mail shall continue without reduction; and that none of the funds provided be used to consolidate or close small rural and other small post offices in fiscal year 2011.

Mail Delivery.—The Committee believes that 6-day mail delivery is one of the most important services provided by the Federal Government to its citizens. Especially in rural and small-town America, this critical postal service is the linchpin that serves to bind the Nation together.

Since fiscal year 1981, annual appropriations bills have each included language requiring 6-day per week postal delivery. The Postal Service has sought removal of this mandate to afford maximum delivery flexibility as an internal fiscal management tool. On March 30, 2010, the Postal Service filed its 5-day delivery proposal with the Postal Regulatory Commission. Federal law requires the Postal Service to seek an Advisory Opinion from the Postal Regulatory Commission on any proposed change in nationwide service.

The Postal Regulatory Commission is presently conducting a thorough fact-gathering evaluation, including hosting at least seven public field hearings, to solicit public input on the prospect of ending carrier street address delivery, collection at blue collection boxes, and most originating mail processing on Saturdays. Among the key questions that the Postal Regulatory Commission is considering about the delivery frequency are whether the savings the Postal Service anticipates would be as significant as estimated, whether mail volume would decline more than the Postal Service anticipates, whether businesses and citizens have service that remains adequate to meet their needs, and whether the national economic impact of service reductions would offset, or add to, the savings that are proposed. Before Congress makes any alteration in the postal delivery frequency status quo, the Committee believes it is prudent to allow the Postal Regulatory Commission's process to continue, rather than pre-empt, or make less meaningful, the Commission's work toward an Advisory Opinion.

Postal Retail Network.—The Committee acknowledges that the Postal Service is undertaking significant reductions to its overhead, including the closure of postal retail facilities. Congress has given the Postal Service considerable discretion to decide how many post offices to erect and where to place them. The Committee notes that in fiscal year 2009, the Postal Service operated 35,823 retail facilities, nearly 17 percent fewer than the 43,112 operated in fiscal year 1970. These 35,823 facilities include 27,161 post offices, 4,828 post offices branches and stations, and 3,834 community post offices and contract post units. The Committee understands that the Postal Service has partnered with more than 56,000 locations such as supermarkets, drug stores, and other retailers sell postage and selected postal services. Nearly 18,000 ATMs dispense sheets of stamps. The online alternative at usps.com allows customers to conveniently obtain shipping information and purchase and print postage around the clock. In 2009, nearly 30 percent of postal retail transactions were conducted in locations other than a Post Office. The Committee strongly urges the Postal Service to continue to expand the co-location of postal services and other innovative approaches to serving communities.

Mail-related Recycling Initiatives.—Every year the Postal Service recycles about 1 million tons of wastepaper, cardboard, plastics, cans, and other materials. The Postal Service also generates about \$7,500,000 in revenue from those recycling activities. The Postal

Service also purchases more than \$200,000,000 worth of products containing recycled content each year. Many of the containers in the Postal Service mail system are made from recycled materials, and so are the stamped envelopes, post cards, stamp booklet covers, and packaging materials provided by the Postal Service. The adhesives used in U.S. postage stamps are biodegradable, and the Postal Services priority and express boxes and envelopes are recyclable. Through various continued successful partnerships, the Postal Service has facilitated reuse or recovery of overstock and outdated electronic equipment, saving tons of potential landfill waste. The Committee urges the Postal Service to continue its efforts to maximize the potential benefits of recycling initiatives.

Fiscal Health.—The Committee remains concerned about the fiscal health of the Postal Service. Decline in mail volume caused by the recession and the movement of letters and bills to the Internet has had a staggering impact on the Postal Service, which released its most recent semi-annual and quarterly financial data on May 6, 2010. For fiscal year 2010, it posted a net loss of \$1,900,000,000 as of March 31, 2010. Staff was cut by 47,000 to a total of 594,000, a decline of 120,000 personnel since 2008. For the quarter, total mail volume was 3.3 percent less than the same period last year. Even with a one-time boost of revenue from Census mail, revenue was still 1.4 percent less than the same 3-month period a year ago.

In light of its dismal and unabated financial circumstances, the Committee urges the Postal Service to coordinate with Office of Personnel Management [OPM], the Postal Service Inspector General, the Postal Regulatory Commission, and the Office of Management and Budget to identify a fair and equitable methodology to calculate the amount the Postal Service should be contributing to the Civil Service Retirement System [CSRS] pension fund. In recent reports, the Postal Service Inspector General and the Postal Regulatory Commission conclude that OPM's methodology in calculating the pension cost allocations between the former taxpayer-supported Post Office Department and the new ratepayer-supported Postal Service resulted in the Postal Service overpaying its share of the CSRS pension fund. Although both the Board of Actuaries and the Government Accountability Office concluded in 2004 that OPM's methodology is consistent with congressional intent of the 1974 law that established the CSRS pension fund, the OPM Director stated during a March 2010 appropriations subcommittee hearing that in light of the methodology being called into question again, OPM would be willing to coordinate with the Postal Service Inspector General and other stakeholders to revisit OPM's current methodology.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2010	\$244,397,000
Budget estimate, 2011	244,397,000
Committee recommendation	244,397,000

PROGRAM DESCRIPTION

The United States Postal Service Office of Inspector General [OIG] is an independent organization established in 1996 and charged with reporting to Congress on the overall efficiency, effectiveness, and economy of Postal Service programs and operations. The OIG plays a key role in maintaining the integrity and accountability of America's postal service, its revenue and assets, and its employees. The OIG meets this responsibility by conducting and supervising objective and independent audits, investigations, and other reviews. In fiscal year 2009, the OIG efforts resulted in 383 audits and evaluations being completed identifying potential monetary benefits of nearly \$10,100,000,000, 5,501 completed investigative cases, 893 arrests and indictments, and 2,750 administrative actions referred. These actions resulted in about \$229,000,000 in monetary recoveries and cost avoidance in workers' compensation and contract fraud cost programs. As a result, the return-on-investment was \$19.69, up from \$7.54 in fiscal year 2007.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation, out of the Postal Fund, of \$244,397,000 for the United States Postal Service Office of Inspector General. This amount is the same as the fiscal year 2010 funding level and the same as the budget request. The funds will support 1,194 FTEs and an increase to the OIG headquarters lease. Funds will enable the Office of Inspector General to concentrate on its fiscal year 2011 goals of focusing on investigating healthcare disability fraud and contract fraud allegations, audit work in response to Sarbanes-Oxley requirements, audits of data collection systems and procedures, and increasing total investigative financial, criminal, and administrative outcomes. In fiscal year 2011, audit work will focus on areas that present a high risk to the Postal Service, particularly identifying potential cost savings and opportunities to increase revenue.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

Appropriations, 2010	\$49,241,000
Budget estimate, 2011	52,201,000
Committee recommendation	54,625,000

PROGRAM DESCRIPTION

The U.S. Tax Court is an independent judicial body in the legislative branch established in 1969 under Article I of the Constitution of the United States. The Court was created to provide a national forum for the resolution of disputes between taxpayers and the Internal Revenue Service, resolve cases expeditiously while giving careful consideration to the merits of each matter, and ensure the uniform interpretation of the Internal Revenue Code. The matters over which the Court has jurisdiction are set forth in various sections of title 26 of the United States Code.

The Court is composed of 19 judges, one of whom the judges elect as chief judge. In their judicial duties the judges are assisted by

senior judges, who participate in the adjudication of regular cases, and by special trial judges, who hear small tax cases and certain regular cases assigned to them by the chief judge.

The Court conducts trial sessions throughout the United States, including Hawaii and Alaska. Decisions by the Court are reviewable by the U.S. Courts of Appeals and, if certiorari is granted, by the Supreme Court.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$54,625,000 for the U.S. Tax Court. This amount is \$5,384,000 above the fiscal year 2010 enacted level and \$2,424,000 above the budget request. The Committee notes that the increased funding is expected to help the Tax Court continue to comply with the Court Security Act of 2007 (Public Law 110–177). Of the amount provided, \$2,424,000 shall remain available until September 30, 2012, to address the costs for perimeter security improvements to the U.S. Tax Court headquarters.

STATEMENT CONCERNING GENERAL PROVISIONS

The Financial Services and General Government appropriation bill includes general provisions which govern both the activities of the agencies covered by the bill, and, in some cases, activities of agencies, programs, and general government activities that are not covered by the bill.

The bill contains a number of general provisions that have been carried in this bill for years and which are routine in nature and scope. General provisions in the bill are explained under this section of the report. Those general provisions that deal with a single agency only are shown immediately following that particular agency's or department's appropriation accounts in the bill. Those provisions that address activities or directives affecting all of the agencies covered in this bill are contained in title VI. General provisions that are Government-wide in scope are contained in title VII of this bill. General provisions applicable to the District of Columbia are contained in title VIII of this bill.

TITLE VI

GENERAL PROVISIONS—THIS ACT

Section 601 continues the provision prohibiting pay and other expenses of non-Federal parties intervening in regulatory or adjudicatory proceedings funded in this act.

Section 602 continues the provision prohibiting obligations beyond the current fiscal year and prohibits transfers of funds unless expressly provided.

Section 603 continues the provision limiting expenditures for consulting service through procurement contracts where such expenditures are a matter of public record and available for public inspection.

Section 604 continues the provision prohibiting funds in this act from being transferred without express authority.

Section 605 continues the provision prohibiting the use of funds to engage in activities that would prohibit the enforcement of section 307 of the 1930 Tariff Act (46 Stat. 590).

Section 606 continues the provision prohibiting the use of funds unless the recipient agrees to comply with the Buy American Act.

Section 607 continues the provision prohibiting funding for any person or entity convicted of violating the Buy American Act.

Section 608 continues the provision authorizing the reprogramming of funds and specifies the reprogramming procedures for agencies funded by this act.

Section 609 continues the provision ensuring that 50 percent of unobligated balances may remain available for certain purposes.

Section 610 continues the provision restricting the use of funds for the Executive Office of the President to request official background reports from the Federal Bureau of Investigation without the written consent of the individual who is the subject of the report.

Section 611 continues the provision ensuring that the cost accounting standards shall not apply with respect to a contract under the Federal Employees Health Benefits Program.

Section 612 continues the provision referencing non-foreign area cost of living allowances.

Section 613 continues the provision waiving restrictions on the purchase of non-domestic articles, materials, and supplies in the case of acquisition by the Federal Government of information technology.

Section 614 continues a provision on the acceptance by agencies or commissions funded by this act, or by their officers or employees, of payment or reimbursement for travel, subsistence, or related expenses from any person or entity (or their representative) that engages in activities regulated by such agencies or commissions.

Section 615 continues a provision allowing the Public Company Accounting Oversight Board to obligate amounts collected from monetary penalties for the purpose of funding scholarships for accounting students, as authorized by the Sarbanes-Oxley Act of 2002 (Public Law 107-204).

Section 616 is a provision rescinding \$1,500,000 from unobligated balances for prior year appropriations made available for the Privacy and Civil Liberties Oversight Board.

Section 617 continues a provision permitting the Securities and Exchange Commission and the Commodity Futures Trading Commission to fund a joint advisory committee to advise on emerging regulatory issues, notwithstanding section 708 of this act.

Section 618 is a provision deeming certain grant expenditures appropriated in fiscal year 2004 and authorized under the Help America Vote Act of 2002 to have been incurred for the programs and activities described under the "Election Reform Programs" heading.

Section 619 is a provision requiring the President to transmit proposed deficiency and supplemental appropriations requests to Congress on behalf of the judicial and legislative branches as is presently done for the executive branch.

Section 620 is a provision permitting the Abraham Lincoln Bicentennial Foundation to be a recipient of matching funds distributed by the Treasury from revenue from the sale of the Lincoln bicentennial coin.

Section 621 is a provision related to agricultural trade with Cuba.

TITLE VII

GENERAL PROVISIONS—GOVERNMENT-WIDE

DEPARTMENTS, AGENCIES, AND CORPORATIONS

Section 701 continues the provision requiring agencies to administer a policy designed to ensure that all of its workplaces are free from the illegal use of controlled substances.

Section 702 modifies the provision setting specific limits on the cost of passenger vehicles purchased by the Federal Government with exceptions for police, heavy duty, electric hybrid, and clean fuels vehicles adding a new exception for commercial vehicles that operate on emerging motor vehicle technology.

Section 703 continues the provision allowing funds made available to agencies for travel to also be used for quarters allowances and cost-of-living allowances.

Section 704 continues the provision prohibiting the government, with certain specified exceptions, from employing non-U.S. citizens whose posts of duty would be in the continental United States.

Section 705 continues the provision ensuring that agencies will have authority to pay the General Services Administration for space renovation and other services.

Section 706 continues the provision allowing agencies to use receipts from the sale of materials for acquisition, waste reduction and prevention, environmental management programs, and other Federal employee programs.

Section 707 continues the provision providing that funds for administrative expenses may be used to pay rent and other service costs in the District of Columbia.

Section 708 continues the provision precluding interagency financing of groups absent prior statutory approval.

Section 709 continues the provision prohibiting the use of appropriated funds for enforcing regulations disapproved in accordance with the applicable law of the United States.

Section 710 continues the provision limiting the pay increases of certain prevailing rate employees.

Section 711 continues the provision limiting the amount that can be used for redecoration of offices under certain circumstances.

Section 712 continues the provision that permits interagency funding of national security and emergency preparedness telecommunications initiatives, which benefit multiple Federal departments, agencies, and entities.

Section 713 continues the provision requiring agencies to certify that a schedule C appointment was not created solely or primarily to detail the employee to the White House.

Section 714 continues the provision prohibiting the use of funds to prevent Federal employees from communicating with Congress

or to take disciplinary or personnel actions against employees for such communication.

Section 715 continues the provision prohibiting Federal training not directly related to the performance of official duties.

Section 716 continues the provision prohibiting the expenditure of funds for the implementation of agreements in certain nondisclosure policies unless certain provisions are included in the policies.

Section 717 continues the provision prohibiting the use of appropriated funds for publicity or propaganda designed to support or defeat legislation pending before Congress.

Section 718 continues the provision prohibiting the use of appropriated funds by an agency to provide home addresses of Federal employees to labor organizations, absent employee authorization or court order.

Section 719 continues the provision prohibiting the use of appropriated funds to provide non-public information such as mailing or telephone lists to any person or organization outside of the Government without approval of the Committees on Appropriations.

Section 720 continues the provision prohibiting the use of appropriated funds for publicity or propaganda purposes within the United States not authorized by Congress.

Section 721 continues the provision directing agencies' employees to use official time in an honest effort to perform official duties.

Section 722 continues the provision authorizing the use of current fiscal year funds to finance an appropriate share of the Federal Accounting Standards Advisory Board administrative costs.

Section 723 continues the provision authorizing breastfeeding at any location in a Federal building or on Federal property.

Section 724 continues the provision permitting interagency funding of the National Science and Technology Council, and requiring an OMB report on the budget and resources of the Council.

Section 725 continues the provision requiring identification of the Federal agencies providing Federal funds and the amount provided for all proposals, solicitations, grant applications, forms, notifications, press releases, or other publications related to the distribution of funding to a State.

Section 726 continues the provision prohibiting the use of funds to monitor personal information relating to the use of Federal Internet sites.

Section 727 continues the provision regarding contraceptive coverage under the Federal Employees Health Benefits Plan.

Section 728 continues the provision recognizing the U.S. Anti-Doping Agency as the official anti-doping agency for Olympic, Pan American, and Paralympic sports in the United States.

Section 729 continues the provision allowing departments and agencies to use official travel funds to participate in the fractional aircraft ownership pilot programs.

Section 730 continues the provision prohibiting funds for implementation of OPM regulations limiting detailees to the legislative branch and placing certain limitations on the Coast Guard Congressional Fellowship program.

Section 731 continues the provision prohibiting the expenditure of funds for the acquisition of certain additional Federal law enforcement training facilities.

Section 732 continues a provision prohibiting funds for E-Government initiatives sponsored by OMB prior to 15 days following submission of a report to the House and Senate Committees on Appropriations and receipt of the Committees' approval to transfer funds. The section also prohibits funds for new E-Government initiatives without the explicit approval of the Committees.

Section 733 continues with modification the provision providing funding for the Midway Atoll Airfield.

Section 734 continues a provision that prohibits the use of funds to begin or announce a study or a public-private competition regarding the conversion to contractor performance of any function performed by civilian Federal employees pursuant to Office of Management and Budget Circular A-76 or any other administrative regulation, directive, or policy.

Section 735 continues a provision that prohibits executive branch agencies from creating or funding prepackaged news stories that are broadcast or distributed in the United States unless specific notification conditions are met.

Section 736 continues the provision prohibiting funds used in contravention of the Privacy Act, section 552a of title 5, United States Code or section 522.224 of title 48 of the Code of Federal Regulations.

Section 737 continues the provision requiring agencies to evaluate the creditworthiness of an individual before issuing a Government travel charge card and prohibits agencies from issuing a Government travel charge card to individuals with an unsatisfactory credit history.

Section 738 continues a provision requiring OMB to submit a crosscut budget report on Great Lakes restoration activities not later than 45 days after the submission of the budget of the President to Congress.

Section 739 continues a provision prohibiting funds in this or any other act from being used for Federal contract with inverted corporations, unless the contract preceded this act or the Secretary grants a waiver in the interest of national security.

Section 740 prohibits the Office of Personnel Management or any other agency from using funds to implement regulations changing the competitive areas under reductions-in-force for Federal employees.

Section 741 makes technical modifications to a provision enacted in fiscal year 2010 requiring agency compilation of inventories of service contracts.

Section 742 continues a provision, with modifications, providing that the adjustment in rates of basic pay for employees under statutory pay systems taking effect in fiscal year 2011 shall be an increase of 1.4 percent.

Section 743 declares the inapplicability of these general provisions to title IV and title VIII.

Section 744 is a provision eliminating automatic statutory pay increases for the Vice President and certain other high level executive branch officials.

Section 745 is a provision related to a study of the payment of interchange fees by the Federal Government.

Section 746 is a provision preventing certain anticompetitive practices related to the sale of drug products.

TITLE VIII

GENERAL PROVISIONS—DISTRICT OF COLUMBIA

Section 801 continues the provision that specifies that an appropriation for a particular purpose or object shall be considered as the maximum amount that may be expended for said purpose or object.

Section 802 continues the provision that permits funds for travel and payment of dues.

Section 803 continues the provision that appropriates funds for refunding overpayments of taxes collected and for paying settlements and judgments against the District of Columbia government.

Section 804 continues the provision that prohibits the use of the appropriation for publicity or propaganda purposes, and permits the use of local funds for carry out lobbying activity.

Section 805 continues the provision that establishes notification requirements for certain reprogramming and transfer requirements with respect to funds and specifies a timeframe for approval and execution of requests to reprogram and transfer local funds.

Section 806 continues the provision that restricts the use of funds only to the objects for which the appropriations were made.

Section 807 continues the provision that prohibits the use of Federal funds for salaries, expenses, or other costs associated with the offices of U.S. Senator or Representative under section 4(d) of the D.C. Statehood Constitutional Convention Initiatives of 1979.

Section 808 continues the provision that restricts the use of official vehicles to official duties and not between a residence and workplace, except under certain circumstances.

Section 809 continues the provision that prohibits the use of appropriated funds by the District of Columbia Attorney General or any other officer or entity of the District government to provide assistance for any petition drive or civil action which seeks to require Congress to provide for voting representation in Congress for the District of Columbia.

Section 810 continues the provision that prohibits the use of Federal funds in this act to distribute, for the purpose of preventing the spread of blood borne pathogens, sterile needles or syringes in any location that has been determined by local public health officials or local law enforcement authorities to be inappropriate for such distribution.

Section 811 continues the provision that includes a “conscience clause” on legislation that pertains to contraceptive coverage by health insurance plans.

Section 812 continues the provision that requires the Mayor of the District of Columbia to submit annual reports on various indicators pertaining to the District of Columbia.

Section 813 continues the provision prohibiting use of Federal funds to change the legality of marijuana use.

Section 814 continues the provision restricting the use of Federal funds for abortion, with certain exceptions.

Section 815 continues a provision requiring the submittal of a revised appropriated funds budget that reflects the total amount of the approved appropriation and realigns all budget data for personal services and other-than-personal-services with anticipated actual expenditures.

Section 816 continues a provision requiring the submittal of a revised appropriated funds budget for the District of Columbia Schools that aligns the schools' budgets to actual enrollment.

Section 817 continues a provision authorizing the transfer of local funds to capital and enterprise funds.

Section 818 is a new provision that permits the Public Defender Service for the District of Columbia to purchase professional liability insurance for its attorneys, staff, and board members.

Section 819 is a new provision that modifies the frequency of management evaluations by the Government Accountability Office of the District of Columbia's chartering authority for public charter schools.

Section 820 continues the provision which limits references to "this Act" as referring to only this title.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI OF THE
STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill “which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.”

Items providing funding for fiscal year 2011 which lack authorization are as follows:

Department of the Treasury

- Departmental Offices
- Department-wide Systems and Capital Investments
- Office of the Inspector General
- Inspector General for Tax Administration
- Financial Crimes Enforcement Network
- Financial Management Service
- Alcohol and Tobacco Tax and Trade Bureau
- Bureau of the Public Debt
- Community Development and Financial Institutions Fund
- Internal Revenue Service:
 - Taxpayer Services
 - Enforcement
 - Operations Support
 - Business Systems Modernization
 - Health Insurance Tax Credit Administration

Executive Office of the President

- Office of Management and Budget
- ONDCCP: Training for drug court professionals

District of Columbia

- Federal Payment for the District of Columbia Water and Sewer Authority
- Federal Payment for School Improvement
- Federal Payment to the Chief Financial Officer of the District of Columbia
- Federal Payment for the D.C. National Guard
- Federal Payment for Housing for the Homeless
- Federal Payment for Redevelopment of the St. Elizabeths Hospital Campus
- Federal Payment for HIV/AIDS Prevention

Independent Agencies

- Election Assistance Commission
- Federal Communications Commission

Federal Election Commission
 Federal Trade Commission
 General Services Administration:
 Federal Building Fund
 GSA E-government Fund
 Merit Systems Protection Board
 National Archives and Records Administration, National Historical Publications and Records Commission
 National Credit Union Administration: Community Development Revolving Loan Fund
 Office of Government Ethics
 Office of Special Counsel

COMPLIANCE WITH PARAGRAPH 7(c), RULE XXVI OF THE
 STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, on July 29, 2010, the Committee ordered reported an original bill (S. 3677) making appropriations for financial services and general government for the fiscal year ending September 30, 2011, and for other purposes, subject to amendment and subject to the Committee spending guidance; and authorized the chairman of the committee or the chairman of the subcommittee to offer the text of the Senate-reported bill as a committee amendment in the nature of a substitute to the House companion measure, by a recorded vote of 18–12, a quorum being present. The vote was as follows:

Yeas	Nays
Chairman Inouye	Mr. Cochran
Mr. Leahy	Mr. Bond
Mr. Harkin	Mr. McConnell
Ms. Mikulski	Mr. Shelby
Mr. Kohl	Mr. Gregg
Mrs. Murray	Mr. Bennett
Mr. Dorgan	Mrs. Hutchison
Mrs. Feinstein	Mr. Brownback
Mr. Durbin	Mr. Alexander
Mr. Johnson	Ms. Collins
Ms. Landrieu	Mr. Voinovich
Mr. Reed	Ms. Murkowski
Mr. Lautenberg	
Mr. Nelson	
Mr. Pryor	
Mr. Tester	
Mr. Specter	
Mr. Brown	

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE
 STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by

stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the Committee.”

In compliance with this rule, the following changes in existing law proposed to be made by this bill are shown as follows: existing law to be omitted is enclosed in black brackets; new matter is printed in italic; and existing law in which no change is proposed is shown in roman.

TITLE 15—COMMERCE AND TRADE

CHAPTER 2—FEDERAL TRADE COMMISSION; PROMOTION OF EXPORT TRADE AND PREVENTION OF UNFAIR METHODS OF COMPETITION

SUBCHAPTER I—FEDERAL TRADE COMMISSION

§ 56. Commencement, defense, intervention and supervision of litigation and appeal by Commission or Attorney General

(a) * * *

(1) * * *

(2) * * *

(A) * * *

* * * * *

(D) under the second paragraph of section 49 of this title (relating to enforcement of a subpoena) and under the fourth paragraph of such section (relating to compliance with section 46 of this title); **[or]**

(E) under section 57b-2a of this title; *or*

(F) *under section 28;*

* * * * *

(c) FOREIGN LITIGATION.—

(1) * * *

* * * * *

(4) OTHER AUTHORITY.—The authority provided by this subsection is in addition to any other authority of the Commission or the Attorney General.

SEC. 28. PRESERVING ACCESS TO AFFORDABLE GENERICS.

(a) *IN GENERAL.*—

(1) *ENFORCEMENT PROCEEDING.*—*The Federal Trade Commission may initiate a proceeding to enforce the provisions of this section against the parties to any agreement resolving or settling, on a final or interim basis, a patent infringement claim, in connection with the sale of a drug product.*

(2) *PRESUMPTION.*—

(A) *IN GENERAL.*—*Subject to subparagraph (B), in such a proceeding, an agreement shall be presumed to have anti-competitive effects and be unlawful if—*

(i) *an ANDA filer receives anything of value; and*

(ii) the ANDA filer agrees to limit or forego research, development, manufacturing, marketing, or sales of the ANDA product for any period of time.

(B) *EXCEPTION.*—The presumption in subparagraph (A) shall not apply if the parties to such agreement demonstrate by clear and convincing evidence that the procompetitive benefits of the agreement outweigh the anticompetitive effects of the agreement.

(b) *COMPETITIVE FACTORS.*—In determining whether the settling parties have met their burden under subsection (a)(2)(B), the fact finder shall consider—

(1) the length of time remaining until the end of the life of the relevant patent, compared with the agreed upon entry date for the ANDA product;

(2) the value to consumers of the competition from the ANDA product allowed under the agreement;

(3) the form and amount of consideration received by the ANDA filer in the agreement resolving or settling the patent infringement claim;

(4) the revenue the ANDA filer would have received by winning the patent litigation;

(5) the reduction in the NDA holder's revenues if it had lost the patent litigation;

(6) the time period between the date of the agreement conveying value to the ANDA filer and the date of the settlement of the patent infringement claim; and

(7) any other factor that the fact finder, in its discretion, deems relevant to its determination of competitive effects under this subsection.

(c) *LIMITATIONS.*—In determining whether the settling parties have met their burden under subsection (a)(2)(B), the fact finder shall not presume—

(1) that entry would not have occurred until the expiration of the relevant patent or statutory exclusivity; or

(2) that the agreement's provision for entry of the ANDA product prior to the expiration of the relevant patent or statutory exclusivity means that the agreement is pro-competitive, although such evidence may be relevant to the fact finder's determination under this section.

(d) *EXCLUSIONS.*—Nothing in this section shall prohibit a resolution or settlement of a patent infringement claim in which the consideration granted by the NDA holder to the ANDA filer as part of the resolution or settlement includes only one or more of the following:

(1) The right to market the ANDA product in the United States prior to the expiration of—

(A) any patent that is the basis for the patent infringement claim; or

(B) any patent right or other statutory exclusivity that would prevent the marketing of such drug.

(2) A payment for reasonable litigation expenses not to exceed \$7,500,000.

(3) A covenant not to sue on any claim that the ANDA product infringes a United States patent.

(e) *REGULATIONS AND ENFORCEMENT.*—

(1) *REGULATIONS.*—The Federal Trade Commission may issue, in accordance with section 553 of title 5, United States Code, regulations implementing and interpreting this section. These regulations may exempt certain types of agreements described in subsection (a) if the Commission determines such agreements will further market competition and benefit consumers. Judicial review of any such regulation shall be in the United States District Court for the District of Columbia pursuant to section 706 of title 5, United States Code.

(2) *ENFORCEMENT.*—A violation of this section shall be treated as a violation of section 5.

(3) *JUDICIAL REVIEW.*—Any person, partnership or corporation that is subject to a final order of the Commission, issued in an administrative adjudicative proceeding under the authority of subsection (a)(1), may, within 30 days of the issuance of such order, petition for review of such order in the United States Court of Appeals for the District of Columbia Circuit or the United States Court of Appeals for the circuit in which the ultimate parent entity, as defined at 16 C.F.R. 801.1(a)(3), of the NDA holder is incorporated as of the date that the NDA is filed with the Secretary of the Food and Drug Administration, or the United States Court of Appeals for the circuit in which the ultimate parent entity of the ANDA filer is incorporated as of the date that the ANDA is filed with the Secretary of the Food and Drug Administration. In such a review proceeding, the findings of the Commission as to the facts, if supported by evidence, shall be conclusive.

(f) *ANTITRUST LAWS.*—Nothing in this section shall be construed to modify, impair, or supersede the applicability of the antitrust laws as defined in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)) and of section 5 of this Act to the extent that section 5 applies to unfair methods of competition. Nothing in this section shall modify, impair, limit or supersede the right of an ANDA filer to assert claims or counterclaims against any person, under the antitrust laws or other laws relating to unfair competition.

(g) *PENALTIES.*—

(1) *FORFEITURE.*—Each person, partnership or corporation that violates or assists in the violation of this section shall forfeit and pay to the United States a civil penalty sufficient to deter violations of this section, but in no event greater than 3 times the value received by the party that is reasonably attributable to a violation of this section. If no such value has been received by the NDA holder, the penalty to the NDA holder shall be sufficient to deter violations, but in no event greater than 3 times the value given to the ANDA filer reasonably attributable to the violation of this section. Such penalty shall accrue to the United States and may be recovered in a civil action brought by the Federal Trade Commission, in its own name by any of its attorneys designated by it for such purpose, in a district court of the United States against any person, partnership or corporation that violates this section. In such actions, the United States district courts are empowered to grant

mandatory injunctions and such other and further equitable relief as they deem appropriate.

(2) CEASE AND DESIST.—

(A) IN GENERAL.—If the Commission has issued a cease and desist order with respect to a person, partnership or corporation in an administrative adjudicative proceeding under the authority of subsection (a)(1), an action brought pursuant to paragraph (1) may be commenced against such person, partnership or corporation at any time before the expiration of 1 year after such order becomes final pursuant to section 5(g).

(B) EXCEPTION.—In an action under subparagraph (A), the findings of the Commission as to the material facts in the administrative adjudicative proceeding with respect to such person's, partnership's or corporation's violation of this section shall be conclusive unless—

(i) the terms of such cease and desist order expressly provide that the Commission's findings shall not be conclusive; or

(ii) the order became final by reason of section 5(g)(1), in which case such finding shall be conclusive if supported by evidence.

(3) CIVIL PENALTY.—In determining the amount of the civil penalty described in this section, the court shall take into account—

(A) the nature, circumstances, extent, and gravity of the violation;

(B) with respect to the violator, the degree of culpability, any history of violations, the ability to pay, any effect on the ability to continue doing business, profits earned by the NDA holder, compensation received by the ANDA filer, and the amount of commerce affected; and

(C) other matters that justice requires.

(4) REMEDIES IN ADDITION.—Remedies provided in this subsection are in addition to, and not in lieu of, any other remedy provided by Federal law. Nothing in this paragraph shall be construed to affect any authority of the Commission under any other provision of law.

(h) DEFINITIONS.—In this section:

(1) AGREEMENT.—The term "agreement" means anything that would constitute an agreement under section 1 of the Sherman Act (15 U.S.C. 1) or section 5 of this Act.

(2) AGREEMENT RESOLVING OR SETTLING A PATENT INFRINGEMENT CLAIM.—The term "agreement resolving or settling a patent infringement claim" includes any agreement that is entered into within 30 days of the resolution or the settlement of the claim, or any other agreement that is contingent upon, provides a contingent condition for, or is otherwise related to the resolution or settlement of the claim.

(3) ANDA.—The term "ANDA" means an abbreviated new drug application, as defined under section 505(j) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(j)).

(4) *ANDA FILER.*—The term “ANDA filer” means a party who has filed an ANDA with the Food and Drug Administration.

(5) *ANDA PRODUCT.*—The term “ANDA product” means the product to be manufactured under the ANDA that is the subject of the patent infringement claim.

(6) *DRUG PRODUCT.*—The term “drug product” means a finished dosage form (e.g., tablet, capsule, or solution) that contains a drug substance, generally, but not necessarily, in association with 1 or more other ingredients, as defined in section 314.3(b) of title 21, Code of Federal Regulations.

(7) *NDA.*—The term “NDA” means a new drug application, as defined under section 505(b) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(b)).

(8) *NDA HOLDER.*—The term “NDA holder” means—

(A) the party that received FDA approval to market a drug product pursuant to an NDA;

(B) a party owning or controlling enforcement of the patent listed in the Approved Drug Products With Therapeutic Equivalence Evaluations (commonly known as the “FDA Orange Book”) in connection with the NDA; or

(C) the predecessors, subsidiaries, divisions, groups, and affiliates controlled by, controlling, or under common control with any of the entities described in subparagraphs (A) and (B) (such control to be presumed by direct or indirect share ownership of 50 percent or greater), as well as the licensees, licensors, successors, and assigns of each of the entities.

(9) *PATENT INFRINGEMENT.*—The term “patent infringement” means infringement of any patent or of any filed patent application, extension, reissue, renewal, division, continuation, continuation in part, reexamination, patent term restoration, patents of addition and extensions thereof.

(10) *PATENT INFRINGEMENT CLAIM.*—The term “patent infringement claim” means any allegation made to an ANDA filer, whether or not included in a complaint filed with a court of law, that its ANDA or ANDA product may infringe any patent held by, or exclusively licensed to, the NDA holder of the drug product.

(11) *STATUTORY EXCLUSIVITY.*—The term “statutory exclusivity” means those prohibitions on the approval of drug applications under clauses (ii) through (iv) of section 505(c)(3)(E) (5- and 3-year data exclusivity), section 527 (orphan drug exclusivity), or section 505A (pediatric exclusivity) of the Federal Food, Drug, and Cosmetic Act.

* * * * *

CHAPTER 14A—AID TO SMALL BUSINESS

§ 637. Additional powers

(a) * * *

(1) * * *

* * * * *

(6)(A) Economically disadvantaged individuals are those socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged. In determining the degree of diminished credit and capital opportunities the Administration shall consider, but not be limited to, the assets and net worth of such socially disadvantaged individual. In determining the economic disadvantage of an Indian tribe, the Administration shall consider, where available, information such as the following: the per capita income of members of the tribe excluding judgment awards, the percentage of the local Indian population below the poverty level, and the tribe's access to capital markets. *In taking into account the net worth of a socially disadvantaged individual under this subparagraph for purposes of determining if such individual is economically disadvantaged, the Administrator shall consider a net worth of less than \$1,000,000 as indicating that the individual is economically disadvantaged.*

* * * * *

(d) Performance of contracts by small business concerns; inclusion of required contract clause; subcontracting plans; contract eligibility; incentives; breach of contract; review; report to Congress

(1) * * *

* * * * *

(3) The clause required by paragraph (2) shall be as follows:

“(A) * * *

* * * * *

“(C) As used in this contract, the term ‘small business concern’ shall mean a small business as defined pursuant to section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto. The term “small business concern owned and controlled by socially and economically disadvantaged individuals” shall mean a small business concern—

“(i) which is at least 51 per centum owned by one or more socially and economically disadvantaged individuals; or, in the case of any publicly owned business, at least 51 per centum of the stock of which is owned by one or more socially and economically disadvantaged individuals; and

“(ii) whose management and daily business operations are controlled by one or more of such individuals.

“The contractor shall presume that socially and economically disadvantaged individuals include Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, and other minorities, or any other individual found to be disadvantaged by the Administration pursuant to section 8(a) of the Small Business Act. *The contractor shall presume that a socially disadvantaged individual is economically disadvantaged if such individual's net worth, as determined in accordance with this section is less than \$1,000,000.*

TITLE 21—FOOD AND DRUGS
CHAPTER 9—FEDERAL FOOD, DRUG, AND COSMETIC ACT
SUBCHAPTER V—DRUGS AND DEVICES
PART A—DRUGS AND DEVICES

§ 355. New drugs

(a) * * *

* * * * *

(j) Abbreviated new drug applications

(1) * * *

* * * * *

(5)(A) * * *

* * * * *

(D) * * *

(i) * * *

(I) * * *

* * * * *

(V) AGREEMENT WITH ANOTHER APPLICANT, THE LISTED DRUG APPLICATION HOLDER, OR A PATENT OWNER.—The first applicant enters into an agreement with another applicant under this subsection for the drug, the holder of the application for the listed drug, or an owner of the patent that is the subject of the certification under paragraph (2)(A)(vii)(IV), the Federal Trade Commission or the Attorney General files a complaint, and there is a final decision of the Federal Trade Commission or the court with regard to the complaint from which no appeal (other than a petition to the Supreme Court for a writ of certiorari) has been or can be taken that the agreement has violated *section 28 of the Federal Trade Commission Act* or the antitrust laws (as defined in section 12 of title 15, except that the term includes section 45 of title 15 to the extent that that section applies to unfair methods of competition).

* * * * *

NOTE

Pub. L. 108–173, title XI, subtitle B, Dec. 8, 2003, 117 Stat. 2461, provided that:

* * * * *

“SEC. 1112. NOTIFICATION OF AGREEMENTS.

“(a) * * *

* * * * *

“(c) FILING.—

“(1) * * *

* * * * *

“(2) OTHER AGREEMENTS.—The parties that are required in subsection (a) or (b) to file an agreement in accordance with this subsection shall file with the Assistant Attorney General and [the Commission the] *the Commission*—

“(A) the text of any agreements between the parties that are not described in such subsections and are contingent upon, provide a contingent condition for, or are otherwise related to an agreement that is required in subsection (a) or (b) to be filed in accordance with this subsection[.]; and

“(B) any other agreement the parties enter into within 30 days of entering into an agreement covered by subsection (a) or (b).”

“(3) DESCRIPTION.—In the event that any agreement required in subsection (a) or (b) to be filed in accordance with this subsection has not been reduced to text, each of the parties involved shall file written descriptions of such agreement that are sufficient to disclose all the terms and conditions of the agreement.

“(d) CERTIFICATION.—*The Chief Executive Officer or the company official responsible for negotiating any agreement required to be filed under subsection (a), (b), or (c) shall execute and file with the Assistant Attorney General and the Commission a certification as follows: ‘I declare that the following is true, correct, and complete to the best of my knowledge: The materials filed with the Federal Trade Commission and the Department of Justice under section 1112 of subtitle B of title XI of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, with respect to the agreement referenced in this certification: (1) represent the complete, final, and exclusive agreement between the parties; (2) include any ancillary agreements that are contingent upon, provide a contingent condition for, or are otherwise related to, the referenced agreement; and (3) include written descriptions of any oral agreements, representations, commitments, or promises between the parties that are responsive to subsection (a) or (b) of such section 1112 and have not been reduced to writing.’”*

TITLE 31—MONEY AND FINANCE

SUBTITLE II—THE BUDGET PROCESS

CHAPTER 11—THE BUDGET AND FISCAL, BUDGET, AND PROGRAM INFORMATION

§ 1107. Deficiency and supplemental appropriations

The President may submit to Congress proposed deficiency and supplemental appropriations the President decides are necessary because of laws enacted after the submission of the budget or that are in the public interest. The President shall include the reasons for the submission of the proposed appropriations and the reasons the proposed appropriations were not included in the budget. When the total proposed appropriations would have required the President to make a recommendation under section 1105(c) of this title

if they had been included in the budget, the President shall make a recommendation under that section. *The President shall transmit promptly to Congress without change, proposed deficiency and supplemental appropriations submitted to the President by the legislative branch and the judicial branch.*

**ABRAHAM LINCOLN COMMEMORATIVE COIN ACT
(PUBLIC LAW 109-285)**

SEC. 7. SURCHARGES.

(a) **IN GENERAL.**—All sales of coins issued under this Act shall include a surcharge of \$10 per coin.

(b) **DISTRIBUTION.**—Subject to section 5134(f)(1), title 31, United States Code, all surcharges received by the Secretary from the sale of coins issued under this Act shall be promptly paid by the Secretary to the **Abraham Lincoln Bicentennial Commission** *Abraham Lincoln Bicentennial Foundation for the purposes of commemorating the bicentennial of the birth of Abraham Lincoln, and fostering and promoting the awareness and study of the life of Abraham Lincoln.*

(c) **AUDITS.**—The **Abraham Lincoln Bicentennial Commission** *Abraham Lincoln Bicentennial Foundation* shall be subject to the audit requirements of section 5134(f)(2) of title 31, United States Code.

TITLE 41—PUBLIC CONTRACTS

§ 433. Acquisition workforce

(a) Applicability

* * * * *

(h) Education and training

(1) Funding levels

* * * * *

(3) Acquisition workforce training fund

(A) * * *

* * * * *

(E) The Administrator of General Services, through the Office of Federal Acquisition Policy, shall ensure that funds collected **for training** under this section are not used for any purpose other than the purpose specified in **subparagraph (A)** *subparagraphs (A) and (C) to (J) of section 405(d)(5) of this title.*

* * * * *

**DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE,
THE JUICIARY, AND RELATED AGENCICES APPROPRIATIONS ACT, 1998 (PUBLIC LAW 105-119)**

TITLE I—DEPARTMENT OF JUSTICE

GENERAL PROVISIONS—DEPARTMENT OF JUSTICE

SEC. 122. (a) * * *

* * * * *

(g)(1) Notwithstanding any other provision of law and subject to paragraph (2), the Secretary of the Treasury is authorized to establish, for a period of **[12 years]** *13 years* from date of enactment of this provision, a personnel management demonstration project providing for the compensation and performance management of not more than a combined total of 950 employees who fill critical scientific, technical, engineering, intelligence analyst, language translator, and medical positions in the Bureau of Alcohol, Tobacco and Firearms.

**DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 2005
(PUBLIC LAW 108-335)**

TITLE III—GENERAL PROVISIONS

SEC. 346. **[BIENNIAL]** EVALUATION OF CHARTER SCHOOL AUTHORIZING BOARDS. (a) **[Biennial management]** *Management* evaluation of the District of Columbia Chartering Authorities for the District of Columbia Public Charter Schools shall be conducted by the Comptroller General of the United **[States.]** *States every five years.*

(b) * * *

(1) * * *

* * * * *

(6) Actual budget expenditures for the preceding **[2]** *5* fiscal years;

**CONSOLIDATED APPROPRIATIONS ACT, 2005 (PUBLIC
LAW 108-43)**

DIVISION H—TRANSPORTATION, TREASURY, INDEPENDENT AGENCIES, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 2005

TITLE IV

INDEPENDENT AGENCIES

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

REPAIRS AND RESTORATION

For the repair, alteration, and improvement of archives facilities, and to provide adequate storage for holdings, \$13,432,000, to remain available until expended, **[of which \$3,000,000 is for site**

preparation and construction management to construct a new regional archives and records facility in Anchorage, Alaska,] and of which \$2,000,000 is for the repair and restoration of the plaza that surrounds the Lyndon Baines Johnson Presidential Library that is under the joint control and custody of the University of Texas: *Provided*, That such funds may be transferred directly to the University and used, together with University funds, for repair and restoration of the plaza and remain available until expended for this purpose.

**ENSURING NEEDED HELP ARRIVES NEAR CALLERS
EMPLOYING 911 ACT, 2004 (PUBLIC LAW 108-494)**

TITLE III—UNIVERSAL SERVICE

SEC. 302. APPLICATION OF CERTAIN TITLE 31 PROVISIONS TO UNIVERSAL SERVICE FUND.

(a) IN GENERAL.— * * *

* * * * *

(b) POST-2005 FULFILLMENT OF PROTECTED OBLIGATIONS.—Section 1341 and subchapter II of chapter 15 of title 31, United States Code, do not apply after [December 31, 2010] *December 31, 2011*, to an expenditure or obligation described in subsection (a)(2) made or authorized during the period described in subsection (a).

**TRANSPORTATION, TREASURY, HOUSING AND URBAN
DEVELOPMENT, THE JUDICIARY, THE DISTRICT OF
COLUMBIA, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 2006 (PUBLIC LAW 109-115)**

TITLE VI

INDEPENDENT AGENCIES

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

REPAIRS AND RESTORATION

For the repair, alteration, and improvement of archives facilities, and to provide adequate storage for holdings, \$9,682,000, to remain available until expended, [of which \$1,500,000 is to construct a new regional archives and records facility in Anchorage, Alaska,] and of which \$1,000,000 is for the repair and restoration of the plaza that surrounds the Lyndon Baines Johnson Presidential Library that is under the joint control and custody of the University of Texas: *Provided*, That such funds may be transferred directly to the University and used, together with University funds, for repair and restoration of the plaza and remain available until expended for this purpose: *Provided further*, That such funds shall be spent in accordance with the construction plan submitted to the Committees on Appropriations on March 14, 2005: *Provided further*, That the Archivist shall be prohibited from entering into any agreement with the University or any other party that requires ad-

ditional funding commitments on behalf of the Federal Government.

CONSOLIDATED APPROPRIATIONS ACT, 2010 (PUBLIC LAW 111-117)

DIVISION C—FINANCIAL SERVICES AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 2010

TITLE VII

GENERAL PROVISIONS—GOVERNMENT-WIDE

DEPARTMENTS, AGENCIES, AND CORPORATIONS

SEC. 743. (a) SERVICE CONTRACT INVENTORY REQUIREMENT.—

(1) * * *

* * * * *

(3) INVENTORY CONTENTS.—Not later than December 31, 2010, and annually thereafter, the head of each executive agency required to submit an inventory in accordance with the Federal Activities Inventory Reform Act of 1998 (Public Law 105-270; 31 U.S.C. 501 note), other than the Department of Defense, shall submit to the Office of Management and Budget an annual inventory of service contracts awarded or extended through the exercise of an option, *and task orders issued under any such contract*, on or after April 1, 2010, for or on behalf of such agency. For each service contract, the entry for an inventory under this section shall include, for the preceding fiscal year, the following:

(A) * * *

* * * * *

(G) The number and work location of contractor and subcontractor employees, expressed as full-time equivalents for direct labor, compensated under the contract, *using direct labor hours and associated cost data collected from contractors.*

* * * * *

(e) * * *

(1) * * *

(2) * * *

(A) * * *

(B) **【**the agency is giving special management attention to functions that are closely associated with inherently governmental functions;**】** *the contracts exclude to the maximum extent practicable functions that are closely associated with inherently governmental functions;*

* * * * *

(h) *SUBMISSION OF REPORT ON ACTIONS TAKEN BEFORE PUBLIC-PRIVATE COMPETITION MAY OCCUR.—An executive agency may not begin, plan for, or announce a study or public-private competition regarding the conversion to contractor performance of any func-*

tion performed by Federal employees pursuant to Office of Management and Budget Circular A-76 or any other administrative regulation or directive until after that agency has submitted to the Office of Management and Budget a report, pursuant to subsection (f), that includes actions taken to convert from contractor to Federal employee performance functions that are not inherently governmental, closely associated with governmental functions, critical, or should not otherwise be reserved for performance by Federal employees. This subsection shall take effect beginning with the report required under subsection (f) that is included as an attachment to the annual inventory due by December 31, 2011.

[(h)] (i) GAO REPORTS ON IMPLEMENTATION.—

(1) REPORT ON GUIDANCE.—Not later than 120 days after submission of the report by the Director of the Office of Management and Budget required under subsection (a)(2), the Comptroller General of the United States shall report on the guidance issued and actions taken by the Director. The report shall be submitted to the Committee on Homeland Security and Governmental Affairs and the Committee on Appropriations of the Senate and the Committee on Oversight and Government Reform and the Committee on Appropriations of the House of Representatives.

(2) REPORTS ON INVENTORIES.—

(A) INITIAL INVENTORY.—Not later than September 30, 2011, the Comptroller General of the United States shall submit a report to the Committees named in the preceding paragraph on the initial implementation by executive agencies of the inventory requirement in subsection (a)(3) with respect to inventories required to be submitted by December 31, 2010.

(B) SECOND INVENTORY.—Not later than September 30, 2012, the Comptroller General shall submit a report to the same Committees on annual inventories required to be submitted by December 31, 2011.

(3) PERIODIC BRIEFINGS.—The Comptroller General shall provide periodic briefings, as may be requested by the Committees, on matters related to implementation of this section.

[(i)] (j) EXECUTIVE AGENCY DEFINED.—In this section, the term “executive agency” has the meaning given the term in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403).

BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee guidance ¹	Amount of bill	Committee guidance ¹	Amount of bill
Comparison of amounts in the bill with Committee spending guidance to its subcommittees for 2011: Subcommittee on Financial Services and General Government:				
Mandatory	NA	21,153	NA	² 21,149

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee guidance ¹	Amount of bill	Committee guidance ¹	Amount of bill
Discretionary	25,400	25,400	NA	² 26,535
Projections of outlays associated with the recommendation:				
2011				³ 40,706
2012				3,974
2013				807
2014				357
2015 and future years				270
Financial assistance to State and local governments for 2011	NA	688	NA	502

¹ There is no section 302(a) allocation to the Committee on Appropriations for fiscal year 2011.

² Includes outlays from prior-year budget authority.

³ Excludes outlays from prior-year budget authority.

NA: Not applicable.

DISCLOSURE OF CONGRESSIONALLY DIRECTED SPENDING ITEMS

The Constitution vests in the Congress the power of the purse. The Committee believes strongly that Congress should make the decisions on how to allocate the people’s money.

As defined in Rule XLIV of the Standing Rules of the Senate, the term “congressionally directed spending item” means a provision or report language included primarily at the request of a Senator, providing, authorizing, or recommending a specific amount of discretionary budget authority, credit authority, or other spending authority for a contract, loan, loan guarantee, grant, loan authority, or other expenditure with or to an entity, or targeted to a specific State, locality or congressional district, other than through a statutory or administrative, formula-driven, or competitive award process.

For each item, a Member is required to provide a certification that neither the Member nor the Senator’s immediate family has a pecuniary interest in such congressionally directed spending item. Such certifications are available to the public on the website of the Senate Committee on Appropriations (www.appropriations.senate.gov/senators.cfm).

Following is a list of congressionally directed spending items included in the Senate recommendation discussed in this report, along with the name of each Senator who submitted a request to the Committee of jurisdiction for each item so identified. Neither the Committee recommendation nor this report contains any limited tax benefits or limited tariff benefits as defined in rule XLIV.

CONGRESSIONALLY DIRECTED SPENDING ITEMS

Account	Project	Funding	Member
DC	Children's National Medical Center, Washington, DC	\$1,000,000	Senators Thad Cochran, Richard Durbin
SBA	4 Ag Hawaii, Improved Food Security through Small Business Development, Haleiwa, HI	\$300,000	Senators Daniel Akaka, Daniel Inouye
SBA	ACCION USA, Womens Link Program, for training and technical assistance for women-owned microenterprises, New York, NY	\$125,000	Senator Kirsten Gillibrand
SBA	AccountAbility Minnesota for financial services assistance, St. Paul, MN	\$125,000	Senators Al Franken, Amy Klobuchar
SBA	Alaska Fisheries Development Foundation, Utilization of Seafood Processing Waste and Product Development, Naknek, AK	\$299,000	Senator Lisa Murkowski
SBA	Anchorage Community Land Trust for a financial literacy and community development program, Anchorage, AK	\$200,000	Senator Mark Begich
SBA	Ben Franklin Technology Partners, Manufacturing Pennsylvania's Future commercialization initiative, PA	\$50,000	Senators Robert Casey, Arlen Specter
SBA	Benedictine University, Small business training program, Lisle, IL	\$250,000	Senator Richard Durbin
SBA	Big Sky Economic Development Authority for operating expenses of a revolving loan fund, Billings, MT	\$100,000	Senators Max Baucus, Jon Tester
SBA	Boise State University, Entrepreneurial Initiative, Boise, ID	\$150,000	Senators Mike Crapo, Jim Risch
SBA	Bradley University, small business training program, Peoria, IL	\$400,000	Senator Richard Durbin
SBA	California Hispanic Chambers of Commerce, California Small Business Construction Initiative, Sacramento, CA	\$500,000	Senator Barbara Boxer
SBA	Carnegie Mellon University, Carnegie Mellon Manufacturing Accelerator, Pittsburgh, PA	\$100,000	Senators Robert Casey, Arlen Specter
SBA	Case Western Reserve University, Northern Ohio Structural Laboratories: Advanced Instrumentation for Northeast Ohio's Bio-imaging Cluster, Cleveland, OH	\$125,000	Senators George Voinovich, Sherrod Brown
SBA	Center for Rural Affairs, New Entrepreneurial Initiatives for Rural Nebraska, Lyons, NE	\$100,000	Senator Ben Nelson
SBA	Center for Rural Entrepreneurship, Nebraska Entrepreneur Initiative, Lincoln, NE	\$175,000	Senator Ben Nelson
SBA	Central Corridor's Hmong Business Center, St. Paul, MN	\$150,000	Senators Al Franken, Amy Klobuchar
SBA	Chicago House and Social Service Agency, job training program, Chicago, IL	\$400,000	Senator Richard Durbin
SBA	City of Carson City, High Tech Business Collaborative, Carson City, NV	\$400,000	Senator Harry Reid
SBA	City of Chicago, workforce retraining program, Chicago, IL	\$450,000	Senator Richard Durbin
SBA	City of Denver, Denver Office of Strategic Partnerships Sustainability Project, Denver, CO	\$500,000	Senator Michael Bennet
SBA	City of Gallup, Kachina business incubator and redevelopment efforts, Gallup, NM	\$100,000	Senators Jeff Bingaman, Tom Udall
SBA	City of Port Huron Economic Redevelopment Initiative, Port Huron, MI	\$100,000	Senators Carl Levin, Debbie Stabenow
SBA	City of St. Cloud, Comprehensive Downtown Economic Development Plan and Program, St. Cloud, MN	\$125,000	Senators Al Franken, Amy Klobuchar
SBA	Colorado State University, Sustainable Biofuels Development Center, Ft. Collins, CO	\$200,000	Senator Mark Udall
SBA	Dakota Rising Rural Entrepreneur Fellowship Program, South Dakota Rural Enterprise, Sioux Falls, SD	\$250,000	Senator Tim Johnson
SBA	Dartmouth Regional Technology Center for additional business incubator space and support, Lebanon, NH	\$100,000	Senator Jeanne Shaheen

SBA	Davidson Green Business Incubator Initiative, Davidson, NC		Senator Kay Hagan
SBA	Downtown Salem Revitalization Toolbox program for economic development, Salem, OR	\$100,000	Senators Jeff Merkley, Ron Wyden
SBA	Eastern Connecticut State University, Center for Economic, Financial and Entrepreneurship Education, Willimantic, CT	\$150,000	Senators Christopher Dodd, Joseph Lieberman
SBA	Fay-Penn Economic Development Council, Local Economy Initiative, Fayette County, PA	\$50,000	Senator Robert Casey
SBA	Finlandia University and Jutila Center for Global Design and Business, business incubator, Hancock, MI	\$100,000	Senators Carl Levin, Debbie Stabenow
SBA	First State Community Loan Fund, for small business and community development technical assistance, Wilmington, DE	\$175,000	now Senators Thomas Carper, Ted Kaufman
SBA	Grambling State University, Expanding Minority Entrepreneurship Regionally Across the Louisiana Delta (EMERALD), Grambling, LA	\$137,500	Senator Mary Landrieu
SBA	Great Falls Development Authority, High Plains Financial Intermediary Loan Fund, for operating expenses of programs supporting small business development, Great Falls, MT	\$125,000	Senators Max Baucus, Jon Tester
SBA	Greater Bridgeport Community Enterprises, Urban Green Business Incubator, Bridgeport, CT	\$150,000	Senators Christopher Dodd, Joseph Lieberman
SBA	Greater Cedar Valley Alliance, Bi-State Entrepreneurial Development Initiative, IA	\$150,000	Senator Charles Grassley
SBA	Greater New Orleans regional economic alliance for Green New Orleans, a green business and jobs initiative, New Orleans, LA	\$137,500	Senator Mary Landrieu
SBA	Greene County Department of Economic Development, Business Park Development Project, Waynesburg, PA	\$50,000	Senators Robert Casey, Arlen Specter
SBA	Hartford County, Maryland, Aberdeen Proving Ground Technical Assistance Business Development Office, Bel Air, MD	\$100,000	Senator Benjamin Cardin
SBA	Hartford Economic Development Corporation, Business Resource Center, Hartford, CT	\$150,000	Senator Christopher Dodd
SBA	Institute for Entrepreneurial Leadership for technical assistance to minority and women business owners, Newark, NJ	\$100,000	Senators Frank Lautenberg, Robert Menendez
SBA	International Trade Alliance, Washington BRIC Export Initiative, Spokane, WA	\$200,000	Senators Patty Murray, Maria Cantwell
SBA	Jackson State University for Economic and Community Development Through Heritage Tourism, Jackson, MS	\$650,000	Senators Thad Cochran, Roger Wicker
SBA	Jefferson Local Development Corporation for operating expenses of a revolving loan fund to support small business development, Whitehall, MT	\$150,000	Senators Max Baucus, Jon Tester
SBA	Johnson and Wales University, Higher Education Consortium for Rhode Island Entrepreneurship, Providence, RI	\$200,000	Senators Jack Reed, Sheldon Whitehouse
SBA	Johnson State College, Upward Bound, Lamoille County, VT	\$50,000	Senator Bernard Sanders
SBA	Kaskaskia College, job counseling and training initiative, Centralia, IL	\$150,000	Senator Richard Durbin
SBA	Kennebec Valley Council of Governments, Rural Maine Employment Initiative, Fairfield, ME	\$400,000	Senator Susan Collins
SBA	Lawrence-Douglas County Biosciences Authority, Bioscience & Technology Business Center, Lawrence, KS	\$125,000	Senators Sam Brownback, Pat Roberts
SBA	Lewis and Clark Community College, job counseling and training initiative, Godfrey, IL	\$150,000	Senator Richard Durbin
SBA	Lincoln County, Alamo Industrial Park Development, Alamo, NV	\$150,000	Senator Harry Reid
SBA	Lyndon State College, Center for Business Education and Rural Entrepreneurship, Lyndonville, VT	\$250,000	Senator Patrick Leahy
SBA	Midcoast Regional Redevelopment Authority, Brunswick Science and Technology Business Incubator, Brunswick, ME	\$750,000	Senator Susan Collins
SBA	Midwest China Hub Commission, St. Louis, MO	\$1,000,000	Senator Christopher Bond

CONGRESSIONALLY DIRECTED SPENDING ITEMS—Continued

Account	Project	Funding	Member
SBA	Mississippi State University Entrepreneurship Center, Starkville, MS	\$650,000	Senators Thad Cochran, Roger Wicker
SBA	Mississippi Technology Alliance, Center for Innovation and Entrepreneurship, Ridgeland, MS	\$1,000,000	Senators Thad Cochran, Roger Wicker
SBA	Montclair State University, Institute for Sustainability Studies Business Incubator, Montclair, NJ	\$275,000	Senators Frank Lautenberg, Robert Menendez
SBA	Mount Washington Valley Economic Council, North Country Small Business Education Center, Conway, NH	\$100,000	Senator Jeanne Shaheen
SBA	National Centers of Excellence Regional Technology Deployment Pilot Project, Chem, UT	\$600,000	Senators Robert Bennett, Orrin Hatch
SBA	Nevada Center for Entrepreneurship and Technology, Small Business Entrepreneur Training, Reno, NV	\$150,000	Senator Harry Reid
SBA	Northeast Organic Farming Association of Vermont, Farmer-to-Farmer Mentor Program for business development, Chittenden County, VT	\$75,000	Senator Bernard Sanders
SBA	Northern Kentucky University College of Informatics, Highland Heights, KY	\$250,000	Senator Mitch McConnell
SBA	Northern Maine Acadian Development, Madawaska, ME	\$1,000,000	Senator Susan Collins
SBA	Northern Michigan University Upper Peninsula Center for Community and Economic Development, Marquette, MI	\$100,000	Senators Carl Levin, Debbie Stabenow
SBA	Ohio University, Small Business Development for Appalachian Ohio's Emerging Biomass Industry, Athens, OH	\$125,000	now Senators George Voinovich, Sherrod Brown
SBA	Oregon International Port of Coos Bay for the business center incubator, Coos Bay, OR	\$125,000	Senators Jeff Merkley, Ron Wyden
SBA	Pellissippi Research Centre on the Oak Ridge Corridor, Alcoa, TN	\$650,000	Senator Lamar Alexander
SBA	PIPELINE Entrepreneurial Fellowship, KS	\$125,000	Senator Sam Brownback
SBA	Portland Community College, Swan Island Training Center, Portland, OR	\$125,000	Senators Jeff Merkley, Ron Wyden
SBA	Prince George's County, Maryland, Africa Trade Office "Farm to Port" project, Largo, MD	\$100,000	Senator Benjamin Cardin
SBA	Regional Development Corporation, New Mexico Youth Entrepreneurship Network, Santa Fe, NM	\$100,000	Senators Jeff Bingaman, Tom Udall
SBA	Research and Technology Institute of West Michigan for InnovationWorks, technical assistance to inventors, entrepreneurs, and existing businesses, Grand Rapids, MI	\$100,000	Senators Carl Levin, Debbie Stabenow
SBA	Rock Valley College, job training and small business counseling program, Rockford, IL	\$200,000	now Senator Richard Durbin
SBA	Rural Enterprise of Oklahoma, Small Business Resource Center, Cameron University, Lawton, OK	\$100,000	Senator James Inhofe
SBA	Rutgers, The State University of New Jersey, Newark Campus, New Jersey Entrepreneurship Development Initiative, Newark, NJ	\$100,000	Senators Frank Lautenberg, Robert Menendez
SBA	Safer Foundation, transitional employment program, Chicago, IL	\$275,000	Senator Richard Durbin
SBA	Saint Xavier University, Minority small business initiative, Chicago, IL	\$250,000	Senator Richard Durbin
SBA	Saratoga Economic Development Corporation, Saratoga Springs, NY	\$100,000	Senator Charles Schumer
SBA	Sauk Valley Community College, job training and certification program, Dixon, IL	\$226,000	Senator Richard Durbin
SBA	Seminole State College's Economic Development Program for Business Recruitment and Retention, Seminole, OK	\$100,000	Senator James Inhofe

SBA	Sirti Foundation for capacity building and education, technical assistance, and training for technology entrepreneurship, Spokane, WA		Senators Patty Murray, Maria Cantwell
SBA	Souris Basin Regional Planning Council, North Dakota Rural Economic Area Partnership Zones, Minot, ND	\$500,000	Senators Kent Conrad, Byron Dorgan
SBA	Student Assistance Foundation for a financial education program, Helena, MT	\$300,000	Senators Max Baucus, Jon Tester
SBA	Taos Pueblo village economic development, Taos, NM	\$100,000	Senators Jeff Bingaman, Tom Udall
SBA	Tapetes de Lana for economic development, Mora, NM	\$100,000	Senators Robert Casey, Arlen Specter
SBA	The Enterprise Center, Minority Business Development Initiative, Philadelphia, PA	\$100,000	Senators Kirsten Gillibrand, Charles Schumer
SBA	The Greater Harlem Chamber of Commerce, Upper Manhattan Tourism and Tourism Related Small Business Initiative, New York, NY	\$125,000	Senator Kay Hagan
SBA	The Nussbaum Center for Entrepreneurship, Business Incubator Renovation, Greensboro, NC	\$100,000	Senator Charles Schumer
SBA	University at Albany, State University of New York, National Clearinghouse for Research and Education in Financial Market Regulation, Albany, NY	\$100,000	Senator Richard Shelby
SBA	University of Alabama, Rural Health Entrepreneurial Development Project, Tuscaloosa, AL	\$1,250,000	Senators Blanche Lincoln, Mark Pryor
SBA	University of Arkansas at Little Rock, Small Business Innovation Center, Little Rock, AR	\$275,000	Senators Blanche Lincoln, Mark Pryor
SBA	University of Arkansas at Pine Bluff, Business Support Incubator, Pine Bluff, AR	\$275,000	Senators Thomas Carper, Ted Kaufman
SBA	University of Delaware, Delaware Small Business Development Center, Newark, DE	\$175,000	Senators David Vitter, Mary Landrieu
SBA	University of Louisiana at Monroe, Business Incubator Renovation, LA	\$100,000	Senator Susan Collins
SBA	University of Maine at Farmington, Western Maine Rural Small Business Initiative, Farmington, ME	\$550,000	Senator Lamar Alexander
SBA	University of Memphis, Memphis Center for Entrepreneurship and Innovation, Memphis, TN	\$400,000	Senators Thad Cochran, Roger Wicker
SBA	University of Mississippi, Technology Commercialization Initiative, Oxford, MS	\$250,000	Senator Harry Reid
SBA	University of Nevada Reno, Veteran Business and Workforce Development Initiative, Reno, NV	\$150,000	Senators Tom Harkin, Charles Grassley
SBA	University of Northern Iowa, MyEntre.Net, A National Entrepreneurship Support Network, Cedar Falls, IA	\$250,000	Senators Jack Reed, Sheldon Whitehouse
SBA	University of Rhode Island Research Foundation, for technical assistance and outreach to support start-up and emerging businesses, South Kingstown, RI	\$250,000	Senator Bill Nelson
SBA	University of South Florida Business Incubator Project, Bartow, FL	\$200,000	Senators Barbara Boxer, Dianne Feinstein
SBA	University of Southern California, Center for Community Development, Los Angeles, CA	\$500,000	Senators Thad Cochran, Roger Wicker
SBA	University of Southern Mississippi, Early Stage Entrepreneur/Commercialization Development, Hattiesburg, MS	\$650,000	Senator Herb Kohl
SBA	University of Wisconsin-Milwaukee for business development related to clean water technologies, Milwaukee, WI	\$250,000	Senators Robert Casey, Arlen Specter
SBA	Urban League of Philadelphia Entrepreneurship Center, Philadelphia, PA	\$50,000	

CONGRESSIONALLY DIRECTED SPENDING ITEMS—Continued

Account	Project	Funding	Member
SBA	Vermont Worker's Center, financial literacy workshops, Chittenden County, VT	\$75,000	Senator Bernard Sanders
SBA	Virginia Community College System, Virginia Veterans Workforce Development Project, Richmond, VA	\$400,000	Senators Mark Warner, Jim Webb
SBA	Washington Hancock Community Agency, Rural Business Energizer Program, Milbridge, ME	\$200,000	Senators Susan Collins, Olympia Snowe
SBA	West Virginia University at Parkersburg, downtown center economic development, Parkersburg, WV	\$250,000	Senator John Rockefeller
SBA	Western Kentucky University Bowling Green Data Center, Bowling Green, KY	\$750,000	Senator Mitch McConnell
SBA	Western Nevada College, Advanced Manufacturing Workforce Collaborative, Carson City, NV	\$150,000	Senator Harry Reid
SBA	Western New England College for an entrepreneurship initiative, Springfield, MA	\$100,000	Senator John Kerry
SBA	Western Washington University, National Center for Economic Vitality, Bellingham, WA	\$300,000	Senator Patty Murray
SBA	Williston State College for developing curriculum and delivery methods to address workforce shortage, Williston, ND	\$100,000	Senators Kent Conrad, Byron Dorgan
SBA	Wilmington College, Kettering Agriculture and Life Science Small Business incubator, Wilmington, OH	\$200,000	Senator Sherrod Brown
SBA	World Trade Center Institute Delaware, Online Training Program, Wilmington, DE	\$50,000	Senators Thomas Carper, Ted Kaufman
SBA	YWCA Malden, Financial Education and Advancement for Micro-Enterprises and At-Risk Families, Malden, MA	\$100,000	Senator John Kerry
Treasury	Bank On USA demonstration projects, HI	\$2,400,000	Senators Daniel Akaka, Daniel Inouye

JUDICIALLY DIRECTED SPENDING ITEMS

Account	Project	Funding	Member
GSA	California, Los Angeles, United States Courthouse	\$92,000,000	The Judiciary

PRESIDENTIALLY DIRECTED SPENDING ITEMS

Account	Project	Funding	Member
GSA	California, Calexico, Calexico West Land Port of Entry	\$84,359,000	The President
GSA	Colorado, Lakewood, Denver Federal Center Remediation	\$7,957,000	The President
GSA	District of Columbia, Washington, St. Elizabeths DHS Consolidation and Development	\$267,675,000	The President
GSA	District of Columbia, Washington, St. Elizabeths West Campus Infrastructure	\$99,281,000	The President
GSA	District of Columbia, Washington, St. Elizabeths Historic Preservation Mitigation	\$4,990,000	The President
GSA	District of Columbia, Washington, St. Elizabeths Highway Interchange	\$8,350,000	The President
GSA	Maine, Calais, Ferry Point Land Port of Entry	\$1,552,000	The President

GSA	Maryland, White Oak, Food and Drug Administration Consolidation	\$173,773,000	The President, Senators Benjamin Cardin, Barbara Mikulski
GSA	Michigan, Detroit, P. V. McNamara Federal Building FBI Garage	\$3,658,000	The President
GSA	West Virginia, Martinsburg, IRS Annex	\$24,767,000	The President
GSA	California, Los Angeles, Federal Building/Parking Garage	\$51,217,000	The President
GSA	California, Richmond, Frank Hagel Federal Building	\$113,620,000	The President
GSA	California, San Diego, Edward J. Schwartz United States Courthouse and Federal Building	\$22,336,000	The President
GSA	California, Van Nuys, James C.orman Federal Building	\$11,039,000	The President
GSA	District of Columbia, Washington, E. Barrett Prebysman United States Courthouse	\$22,900,000	The President
GSA	District of Columbia, Washington, West Wing Design Phase II	\$6,245,000	The President
GSA	Indiana, Indianapolis, Major General Emmett J. Bean Federal Center	\$65,813,000	The President
GSA	New York, New York, Daniel Patrick Moynihan United States Courthouse	\$28,000,000	The President
GSA	National Alliance for Model State Drug Laws	\$1,187,500	The President
ONDOP	National Drug Court Institute	\$1,000,000	The President

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2010 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2011
 (In thousands of dollars)

Item	2010 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2010 appropriation	Budget estimate
TITLE I—DEPARTMENT OF THE TREASURY					
Departmental Offices					
Salaries and expenses	304,888	346,401	334,900	+ 30,012	- 11,501
Executive direction	(21,983)	(38,587)	(35,587)	(+ 13,604)	(- 3,000)
Economic policies and programs	(47,249)	(70,562)	(68,362)	(+ 21,113)	(- 2,200)
Financial policies and programs	(48,580)	(91,212)	(84,912)	(+ 36,332)	(- 6,300)
Terrorism and financial intelligence	(64,611)	(102,613)	(102,613)	(+ 38,002)	.....
Treasury-wide management	(22,679)	(43,426)	(43,426)	(+ 20,747)	.....
Administration	(93,786)	.....	.....	(- 99,786)	.....
Subtotal	304,888	346,401	334,900	+ 30,012	- 11,501
Department-wide systems and capital investments programs	9,544	22,000	13,000	+ 3,456	- 9,000
Office of Inspector General	29,700	30,269	33,269	+ 3,569	+ 3,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2010 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2011—Continued

[In thousands of dollars]

Item	2010 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2010 appropriation	Budget estimate
Treasury Inspector General for Tax Administration	152,000	155,452	155,452	+ 3,452	.....
Special Inspector General for TARP	23,300	49,600	49,600	+ 26,300	.....
Financial Crimes Enforcement Network	111,010	100,419	121,669	+ 10,659	+ 21,250
Treasury forfeiture fund (rescission)	-90,000	-62,000	-81,750	+ 8,250	- 19,750
Total, Departmental Offices	540,442	642,141	626,140	+ 85,698	- 16,001
Financial Management Service	244,132	235,253	235,253	- 8,879	.....
Alcohol and Tobacco Tax and Trade Bureau:					
Salaries and expenses	103,000	106,168	101,000	- 2,000	- 5,168
Offsetting collections .....	.....	- 75,000	.....	.....	+ 75,000
Direct appropriation	103,000	31,168	101,000	- 2,000	+ 69,832
Bureau of the Public Debt	182,244	175,985	175,985	- 6,259	.....
Community development financial institutions fund program account	246,750	250,000	302,400	+ 55,650	+ 52,400
Capital Magnet Fund (by transfer)	(80,000)	.....	.....	(- 80,000)	.....
Subtotal	246,750	250,000	302,400	+ 55,650	+ 52,400
Payment of government losses in shipment	2,000	2,000	2,000	.....	.....
Total, Department of the Treasury, non-IRS	1,318,568	1,336,547	1,442,778	+ 124,210	+ 106,231
Internal Revenue Service					
Taxpayer services	2,278,830	2,321,975	2,331,468	+ 52,638	+ 9,493
Enforcement	4,904,000	5,007,400	5,682,880	+ 778,880	+ 675,480
Enhanced tax enforcement activities	600,000	790,000	.....	- 600,000	- 790,000
Operations support	4,083,884	4,108,000	4,088,000	+ 4,116	- 20,000
Business systems modernization	263,897	386,908	386,908	+ 123,011	.....

Health Insurance Tax Credit Administration	15,512	18,987	18,987	+ 3,475	.....
Total, Internal Revenue Service	12,146,123	12,633,270	12,508,243	+ 362,120	- 125,027
Total, title I, Department of the Treasury	13,464,691	13,969,817	13,951,021	+ 486,330	- 18,796
Appropriations	(13,554,691)	(14,031,817)	(14,032,771)	(+ 478,080)	(+ 954)
Rescissions	(- 90,000)	(- 62,000)	(- 81,750)	(+ 8,250)	(- 19,750)
TITLE II—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT					
The White House					
Salaries and expenses (including Office of Policy Development)	59,143	59,859	59,859	+ 716	.....
Compensation of the President	450	450	450	.....	.....
Total, Salaries and expenses	59,593	60,309	60,309	+ 716	.....
Executive Residence at the White House:					
Operating expenses	13,838	14,006	14,006	+ 168	.....
White House repair and restoration	2,500	2,005	2,005	- 495	.....
Council of Economic Advisers	4,200	4,403	4,403	+ 203	.....
National Security Council and Homeland Security Council	12,231	14,134	14,134	+ 1,903	.....
Office of Administration	115,280	115,280	115,280	.....	.....
Total, The White House	207,642	210,137	210,137	+ 2,495	.....
Office of Management and Budget	92,863	92,863	94,863	+ 2,000	+ 2,000
Government-wide Management Councils	(17,000)	(20,000)	(17,000)	.....	(- 3,000)
Office of National Drug Control Policy					
Salaries and expenses	29,575	26,196	29,000	- 575	+ 2,804
Countering Technology Assessment Center	5,000	.....	.....	- 5,000	.....
High intensity drug trafficking areas program	239,000	209,950	239,000	.....	+ 29,050
Other Federal drug control programs	154,400	165,300	175,825	+ 21,425	+ 10,525
Total, Office of National Drug Control Policy	427,975	401,446	443,825	+ 15,850	+ 42,379
Unanticipated needs	1,000	1,000	1,000	.....	.....
Partnership fund for program integrity innovation	37,500	.....	.....	- 37,500	.....
Integrated, efficient and effective uses of information technology .....	.....	50,000	40,000	+ 40,000	- 10,000
Special Assistance to the President and Official Residence of the Vice President:					
Salaries and expenses	4,604	4,657	4,657	+ 53	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2010 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2011—Continued
(In thousands of dollars)

Item	2010 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2010 appropriation	Budget estimate
Operating expenses	330	335	335	+5	.....
Total, title II, Executive Office of the President and Funds Appropriated to the President	771,914	760,438	794,817	+ 22,903	+ 34,379
TITLE III—THE JUDICIARY					
Supreme Court of the United States					
Salaries and expenses:					
Salaries of justices	2,166	2,197	2,197	+31	.....
Other salaries and expenses	71,868	75,561	75,561	+ 3,693	.....
Subtotal	74,034	77,758	77,758	+ 3,724	.....
Care of the building and grounds	14,525	14,788	14,788	+ 263	.....
Total, Supreme Court of the United States	88,559	92,546	92,546	+ 3,987	.....
United States Court of Appeals for the Federal Circuit					
Salaries and expenses:					
Salaries of judges	2,491	2,502	2,502	+11	.....
Other salaries and expenses	30,069	33,357	31,418	+ 1,349	- 1,939
Total, U.S. Court of Appeals for the Fed Circuit	32,560	35,859	33,920	+ 1,360	- 1,939
United States Court of International Trade					
Salaries and expenses:					
Salaries of judges	1,715	1,851	1,851	+ 136	.....
Other salaries and expenses	19,635	20,417	20,417	+ 782	.....
Total, U.S. Court of International Trade	21,350	22,268	22,268	+ 918	.....

Courts of Appeals, District Courts, and Other Judicial Services					
Salaries and expenses:					
Salaries of judges and bankruptcy judges	340,000	332,565	318,419	-21,581	-14,146
Other salaries and expenses	4,671,018	4,977,216	4,921,632	+250,614	-55,584
Subtotal, Salaries and expenses	5,011,018	5,309,781	5,240,051	+229,033	-69,730
Vaccine Injury Compensation Trust Fund	5,428	4,785	4,785	-643	.....
Defender services	977,748	1,081,195	1,072,253	+94,505	-8,942
Fees of jurors and commissioners	61,861	64,108	55,590	-6,271	-8,518
Court security	452,607	495,038	495,038	+42,431	.....
Total, Courts of Appeals, District Courts, and Other Judicial Services	6,508,662	6,954,907	6,867,717	+359,055	-87,190
Administrative Office of the United States Courts					
Salaries and expenses	83,075	87,255	87,255	+4,180	.....
Federal Judicial Center					
Salaries and expenses	27,328	28,694	28,694	+1,366	.....
Judicial Retirement Funds					
Payment to judiciary trust funds	82,374	90,361	90,361	+7,987	.....
United States Sentencing Commission					
Salaries and expenses	16,837	17,595	17,595	+758	.....
Total, title III, the Judiciary	6,860,745	7,329,485	7,240,356	+379,611	-89,129
TITLE IV—DISTRICT OF COLUMBIA					
FEDERAL FUNDS					
Federal payment for Resident Tuition Support	35,100	35,100	35,100	.....	.....
Federal payment for Emergency Planning and Security Costs in the District of Columbia	15,000	15,000	15,000	.....	.....
Federal payment to the District of Columbia Courts	261,180	247,400	258,351	-2,829	+10,951
Federal payment for defender services in the in District of Columbia Courts	55,000	55,000	55,000	.....	.....
Federal payment to the Court Services and Offender Supervision Agency for the District of Columbia	212,408	217,783	217,783	+5,375	.....
Federal payment to the District of Columbia Public Defender Service	37,316	40,690	40,690	+3,374	.....
Federal payment to the District of Columbia Water and Sewer Authority	20,000	25,000	25,000	+5,000	.....
Federal payment to the Criminal Justice Coordinating Council	2,000	1,800	1,800	-200	.....
Federal payment for judicial commissions	500	500	500	.....	.....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2010 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2011—Continued
(In thousands of dollars)

Item	2010 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2010 appropriation	Budget estimate
Federal payment to the Office of the Chief Financial Officer of the District of Columbia	1,850	.....	1,000	- 850	+ 1,000
Federal payment for school improvement	75,400	52,400	52,400	- 23,000	.....
Federal payment to jump start public school reform .....	.....	20,000	20,000	+ 20,000	.....
Federal payment for consolidated laboratory facility	15,000	.....	.....	- 15,000	.....
Federal payment for the D.C. National Guard	375	2,000	1,375	+ 1,000	- 625
Federal payment for housing for the homeless	17,000	10,000	10,000	- 7,000	.....
Federal payment for youth services	4,000	.....	.....	- 4,000	.....
Federal payment for redevelopment of the St. Elizabeths Hospital campus .....	.....	2,000	2,000	+ 2,000	.....
Federal payment for HIV/AIDS prevention .....	.....	5,000	3,000	+ 3,000	- 2,000
Total, Title IV, District of Columbia	752,129	729,673	738,999	- 13,130	+ 9,326
TITLE V—OTHER INDEPENDENT AGENCIES					
Administrative Conference of the United States	1,500	3,200	3,200	+ 1,700	.....
Christopher Columbus Fellowship Foundation	750	.....	750	.....	+ 750
Commodity Futures Trading Commission	168,800	216,000	286,000	+ 117,200	+ 70,000
Financial regulatory reform contingent appropriations .....	.....	45,000	.....	.....	- 45,000
Total, Commodity Futures Trading Commission	168,800	261,000	286,000	+ 117,200	+ 25,000
Consumer Product Safety Commission	118,200	118,600	118,600	+ 400	.....
Election Assistance Commission					
Salaries and expenses	17,959	16,800	16,800	- 1,159	.....
Election reform programs	75,000	.....	.....	- 75,000	.....
Total, Election Assistance Commission	92,959	16,800	16,800	- 76,159	.....

Federal Communications Commission					
Salaries and expenses	335,794	352,500	355,500	+ 19,706	+ 3,000
Offsetting fee collections—current year	-335,794	-351,500	-355,500	- 19,706	- 4,000
Direct appropriation .....	.....	1,000	.....	.....	- 1,000
Federal Deposit Insurance Corporation: Office of Inspector General (by transfer)	(37,942)	(47,916)	(47,916)	(+ 9,974)	.....
Federal Election Commission	66,500	68,800	70,800	+ 4,300	+ 2,000
Federal Labor Relations Authority	24,773	26,000	26,000	+ 1,227	.....
Federal Trade Commission					
Salaries and expenses	291,700	314,000	314,000	+ 22,300	.....
Offsetting fee collections—current year	- 102,000	- 96,000	- 96,000	+ 6,000	.....
Offsetting fee collections, telephone database	- 21,000	- 19,000	- 21,000	.....	- 2,000
Direct appropriation	168,700	199,000	197,000	+ 28,300	- 2,000
General Services Administration					
Federal Buildings Fund					
Appropriations	(537,900)	(291,900)	(296,800)	(- 241,100)	(+ 4,900)
Limitations on availability of revenue:					
Construction and acquisition of facilities	894,037	676,362	768,362	- 125,675	+ 92,000
Repairs and alterations	413,776	703,467	716,367	+ 302,591	+ 12,900
Instalment acquisition payments	140,525	135,540	135,540	- 4,985	.....
Rental of space	4,804,871	5,291,946	5,216,946	+ 412,075	- 75,000
Building operations	2,290,376	2,346,348	2,321,348	+ 30,972	- 25,000
Subtotal, Limitations on availability of revenue	8,543,585	9,153,663	9,158,563	+ 614,978	+ 4,900
Repayment of debt	66,360	71,270	71,270	+ 4,910	.....
Rental income to fund	- 8,223,000	- 8,871,000	- 8,871,000	- 648,000	.....
Total, Federal Buildings Fund	386,945	353,933	358,833	- 28,112	+ 4,900
Government-wide policy					
Operating expenses	59,665	85,121	77,621	+ 17,956	- 7,500
Office of Inspector General	72,881	72,203	72,203	- 678	.....
Electronic Government Fund	59,000	62,905	61,025	+ 2,025	- 1,880
Allowances and Office Staff for Former Presidents	34,000	35,000	20,000	- 14,000	- 15,000
Federal acquisition workforce initiatives fund	3,756	3,907	3,907	+ 151	.....
.....	.....	24,900	17,000	+ 17,000	- 7,900

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2010 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2011—Continued

[In thousands of dollars]

Item	2010 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2010 appropriation	Budget estimate
Federal Citizen Information Center Fund	36,515	36,825	36,825	+ 310	.....
Total, General Services Administration	652,762	674,794	647,414	- 5,348	- 27,380
Harry S Truman Scholarship Foundation	660	.....	950	+ 290	+ 950
Merit Systems Protection Board					
Salaries and expenses	40,339	41,621	41,621	+ 1,282	.....
Limitation on administrative expenses	2,579	2,579	2,579	.....	.....
Total, Merit Systems Protection Board	42,918	44,200	44,200	+ 1,282	.....
Morris K. Udall and Stewart L. Udall Foundation					
Morris K. Udall and Stewart L. Udall Trust Fund	2,500	2,200	3,000	+ 500	+ 800
Environmental Dispute Resolution Fund	3,800	3,800	3,800	.....	.....
Total, Morris K. Udall and Stewart L. Udall Foundation	6,300	6,000	6,800	+ 500	+ 800
National Archives and Records Administration					
Operating expenses	339,770	348,689	348,689	+ 8,919	.....
Reduction of debt	- 13,000	- 14,000	- 14,000	- 1,000	.....
Office of the Inspector General	4,100	4,250	4,250	+ 150	.....
Electronic records archive	85,500	85,500	72,000	- 13,500	- 13,500
Repairs and restoration	27,500	11,848	11,848	- 15,652	.....
National Historical Publications and Records Commission: Grants program	13,000	10,000	10,000	- 3,000	.....
Total, National Archives and Records Admin	456,870	446,287	432,787	- 24,083	- 13,500

National Credit Union Administration							
Central liquidity facility:							
(Limitation on admin expenses, corporate funds)	(1,250)	(1,250)			(1,250)		
Community development credit union revolving loan fund	1,250	2,000			2,000		+ 750
Office of Government Ethics	14,000	14,227			14,227		+ 227
Salaries and expenses	102,970	95,769			96,439		+ 670
Acquisition workforce capacity and capabilities		670					- 670
Subtotal	102,970	96,439			96,439		
Limitation on administrative expenses	112,738	121,738			121,738		
Office of Inspector General	3,148	2,136			3,322		+ 174
Limitation on administrative expenses	21,215	20,428			21,888		+ 673
Govt Payment for Annuity, Employee Health Benefits	9,814,000	10,467,000			10,467,000		+ 653,000
Govt Payment for Annuity, Employee Life Insurance	48,000	50,000			50,000		
Payment to Civil Svc Retirement and Disability Fund	10,276,000	10,076,000			10,076,000		- 200,000
Total, Office of Personnel Management	20,378,071	20,833,741			20,836,387		+ 458,316
Mandatory	(20,138,000)	(20,593,000)			(20,593,000)		(+ 455,000)
Discretionary	(240,071)	(240,741)			(243,387)		(+ 3,316)
Office of Special Counsel	18,495	19,486			19,486		+ 991
Postal Regulatory Commission	14,333	14,450			14,450		+ 117
Privacy and Civil Liberties Oversight Board	1,500	1,683			1,500		- 183
Securities and Exchange Commission							
Salaries and expenses	1,111,000	1,234,000			1,300,000		+ 66,000
Acquisition workforce capacity and capabilities		483					- 483
Subtotal	1,111,000	1,234,483			1,300,000		+ 65,517
Prior year unobligated balances	- 16,084						+ 16,084
Direct appropriation	1,094,916	1,258,483			1,300,000		+ 41,517
Financial regulatory reform, contingent appropriations		24,000					- 24,000
Direct appropriation		24,000					- 24,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2010 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2011—Continued

[In thousands of dollars]

Item	2010 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2010 appropriation	Budget estimate
Total, Securities and Exchange Commission	1,094,916	1,258,483	1,300,000	+ 205,084	+ 41,517
Selective Service System	24,275	25,400	25,400	+ 1,125	.....
Small Business Administration					
Salaries and expenses	433,438	444,269	464,000	+ 30,562	+ 19,731
Acquisition workforce capacity and capabilities .....	.....	1,767	.....	.....	- 1,767
Subtotal	433,438	446,036	464,000	+ 30,562	+ 17,964
Office of Inspector General	16,300	18,000	18,000	+ 1,700	.....
Surety bond guarantees revolving fund	1,000	1,000	1,000	.....	.....
Business Loans Program Account:					
Direct loans subsidy	3,000	3,765	4,000	+ 1,000	+ 235
Guaranteed loans subsidy	80,000	165,386	195,386	+ 115,386	+ 30,000
Administrative expenses	153,000	157,000	157,000	+ 4,000	.....
Total, Business loans program account	236,000	326,151	356,386	+ 120,386	+ 30,235
Disaster Loans Program Account:					
Guaranteed loans subsidy	1,690	.....	.....	- 1,690	.....
Administrative expenses	76,588	203,000	203,000	+ 126,412	.....
Total, Disaster loans program account	78,278	203,000	203,000	+ 124,722	.....
Salaries and expenses (Sec. 523)	59,000	.....	60,600	+ 1,600	+ 60,600
Total, Small Business Administration	824,016	994,187	1,102,986	+ 278,970	+ 108,799
United States Postal Service					
Payment to the Postal Service Fund	29,000	29,000	29,000	.....	.....

Advance appropriations	89,328	74,905	74,905	- 14,423	.....
Total, Payment to the Postal Service Fund	118,328	103,905	103,905	- 14,423	.....
Office of Inspector General	244,397	244,397	244,397	.....	.....
Total, United States Postal Service	362,725	348,302	348,302	- 14,423	.....
United States Tax Court	49,241	52,201	54,625	+ 5,384	+ 2,424
Total, title V, Independent Agencies	24,584,514	25,429,841	25,570,664	+ 986,150	+ 140,823
Appropriations	(24,495,186)	(25,354,936)	(25,495,759)	(+ 1,000,573)	(+ 140,823)
Advances	(89,328)	(74,905)	(74,905)	(- 14,423)	.....
(by transfer)	(37,942)	(47,916)	(47,916)	(+ 9,974)	.....
(Discretionary total)	(4,446,514)	(4,836,841)	(4,977,664)	(+ 531,150)	(+ 140,823)
Grand total	46,433,993	48,219,254	48,295,857	+ 1,861,864	+ 76,603
Appropriations	(46,434,665)	(48,206,349)	(48,302,702)	(+ 1,868,037)	(+ 96,353)
Rescissions	(- 90,000)	(- 62,000)	(- 81,750)	(+ 8,250)	(- 19,750)
Advances	(89,328)	(74,905)	(74,905)	(- 14,423)	.....
(by transfer)	(117,942)	(47,916)	(47,916)	(- 70,026)	.....