Calendar No. 429

112TH CONGRESS, 2d Session } SENATE { REPORT 112–177

FINANCIAL SERVICES AND GENERAL GOVERNMENT APPROPRIATIONS BILL, 2013

JUNE 14, 2012.—Ordered to be printed

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

REPORT

[To accompany S. 3301]

The Committee on Appropriations reports an original bill (S. 3301) making appropriations for financial services and general government for the fiscal year ending September 30, 2013, and for other purposes, reports favorably thereon and recommends that the bill do pass.

Amounts of new budget (obligational) authority for fiscal year 2013

Total of bill as reported to the Senate	$44,286,736,000
Amount of 2012 appropriations	43,090,895,000
Amount of 2013 budget estimate	44,623,459,000
Bill as recommended to Senate compared to—	
2012 appropriations	+1,195,841,000
2013 budget estimate	−336,723,000

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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 $44,286,736,000 in discretionary and mandatory appropriations. This represents an increase of $1,195,841,000 above the fiscal year 2012 enacted level, and a decrease of $336,723,000 below the budget request. Of the total, $23,158,400,000 is provided in discretionary appropriations, including $167,000,000 for the Small Business Administration Disaster Loans Program Account designated by Congress as disaster relief pursuant to Public Law 112–25. This discretionary amount is $340,723,000 below the budget request of $23,499,123,000. Mandatory appropriations total $21,251,397,000.

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2013, 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 (section 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 differently than 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 or agency 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 2014 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 2014 to the fiscal year 2013 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 2014 budget request.

AGENCY REPORTS

As a measure to reduce costs and conserve paper, the Committee reminds agencies funded by this act that currently provide separate copies of periodic reports (such as Performance and Accountability Reports) and correspondence to the chairs of the House and Senate Appropriations Committees and Subcommittees on Financial Services and General Government, and also to the ranking members of the committees and subcommittees, to send only one copy jointly addressed to the chairs of the Committee and subcommittee and one copy jointly addressed to the ranking members of the Committee and subcommittee (separate copies should be sent to the House and the Senate). Eliminating duplication will reduce by one-half (from eight to four) the copies of periodic reports agencies send to the committees.

TITLE I

DEPARTMENT OF THE TREASURY

Departmental Offices

SALARIES AND EXPENSES

Appropriations, 2012	$308,388,000
Budget estimate, 2013	301,216,000
Committee recommendation	301,216,000

PROGRAM DESCRIPTION

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 Departmental Offices 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 the 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 $301,216,000 for the Departmental Offices account of the Department of the Treasury for fiscal year 2013. This amount is the same as the budget request and $7,172,000 below the fiscal year 2012 enacted level. The funding recommendations are made based on information included in the budget justification.

The Committee directs the Department to prioritize resources within the Departmental Offices account for the Office of Terrorism and Financial Intelligence in order to support safeguarding financial systems against illicit use and combating rogue nations, terrorist facilitators, money launderers, proliferators of weapons of mass destruction, and other national security threats.

The Committee makes the following findings:

Office of Financial Education.—The Committee is concerned about the low level of literacy and numeracy skills among the adult population of the United States, as one in seven adults do not have basic literacy skills to succeed in all but the most rudimentary literacy tasks. The Department's 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 Committee encourages the Department to explore the degree to which current financial literacy programs benefit those individuals with less than basic literacy skills and to develop measurable goals and objectives for the Financial Literacy and Education Commission that address the needs of this population. Finally, the Committee urges the Department to explore opportunities to work with community-based adult and family literacy organizations to promote and implement future financial literacy initiatives.

Foreclosure Crisis.—The Committee commends the Department for enhancements to the Home Affordable Modification Program [HAMP], including increased incentive payments for principal reduction and extending eligibility for increased incentive payments to Fannie Mae and Freddie Mac. The Committee notes that the HAMP April 2012 report shows that 994,000 homeowners are in active permanent modification and more than 1.1 million homeowners have been able to remain in their homes because of HAMP. The Committee directs the Department to urge mortgage servicers and investors, including Fannie Mae and Freddie Mac, to consider and implement principal reductions that could save taxpayer dollars while allowing homeowners to remain in the home with a reduced monthly mortgage payment and reduce the number of vacant real-estate owned property that may negatively affect an entire neighborhood. The Committee also directs the Department to ensure mortgage servicers properly comply with HAMP agreements and provide ample technical assistance and outreach to educate servicers about their responsibilities under the program.

The Committee supports the administration's goal of disposing of real-estate owned [REO] properties held by Fannie and Freddie through the Federal Housing Finance Agency's Pilot REO Property Sales in Hardest Hit Areas, including the objectives of returning often vacant REO properties to productive use to reduce taxpayer costs and stabilize neighborhood and home prices. To achieve the greatest positive impact for taxpayers, the Committee urges Fannie and Freddie to enhance cooperation with State and local entities, including making REO inventories available for participation in locally targeted programs. The Committee also supports disposition strategies that increase rental housing and affordable housing stock. The Committee notes that to truly reduce the number of

REO properties held by Fannie and Freddie, it is necessary to prevent homes from foreclosure. The Committee urges the Department to better utilize programs like HAMP, the Home Affordable Refinance Program, and the Hardest Hit Fund to reduce the foreclosure rate among homes financed through Fannie Mae and Freddie Mac.

Group Home Mortgage Program.—Under authorities provided pursuant to the Housing and Economic Recovery Act of 2008 (Public Law 110–289), the Federal housing Enterprises have been placed into conservatorship, with Treasury providing ongoing financial support to the Enterprises to ensure they remain active participants in the marketplace. The Group Home Mortgage Program—formerly Community Living mortgage loans—comprises approximately $165,000,000 of Fannie Mae's roughly $3,000,000,000,000 portfolio and is designed to provide financing for small, community-based group homes for individuals who are unable to live independently. The program is intended to provide aid to individuals and legal entities, including nonprofit and for-profit corporations, limited partnerships, and government agencies that serve adults and children with physical and mental disabilities. The Committee urges Treasury and the Enterprises to maintain this modest portfolio so that taxpayers will continue to benefit from profits generated under the program and members of the disabled community will continue to have accessible and affordable housing.

Federal Insurance Office.—The Committee supports the mission and goals of the Treasury Department's Federal Insurance Office [FIO], particularly its efforts in international forums to protect U.S. jobs and the competitiveness of the U.S. insurance and reinsurance industries. The FIO, working in close partnership with state insurance supervisors, the Treasury Secretary, and the U.S. Trade Representative, will strengthen the position of the United States as it engages with international organizations and agencies on international insurance regulatory issues. FIO's appointment to the Executive Committee of the International Association of Insurance Supervisors [IAIS] is an important step forward for FIO and the United States. The Committee believes that the Treasury Department should provide adequate resources for FIO to ensure the best outcomes for the United States on international insurance issues.

Economic Sanctions and Divestments.—The Committee recommendation includes resources 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, Belarus, 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.

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 a top management challenge. 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. The Committee notes that section 117 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 Department to include estimated funding needs for the lifetime capital needs for each project, not just for the budget year. The Committee also directs the Department to include in the Capital Investment Plan meaningful and understandable summaries of capital investments by project type (e.g., information technology). 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, 2012	....
Budget estimate, 2013	$7,108,000
Committee recommendation	7,108,000

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 $7,108,000 for Department-wide Systems and Capital Investments Programs [DSCIP] for fiscal year 2013 in accordance with the budget request. Funding was not provided for DSCIP for fiscal year 2012.

The Committee notes that the DSCIP account has been utilized to fund a wide variety of multiyear initiatives. Given the complexity of these initiatives, the bill includes language in section 117 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.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriations, 2012	$29,641,000
Budget estimate, 2013	28,593,000
Committee recommendation	29,641,000

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 $29,641,000 for salaries and expenses of the Office of Inspector General. This amount is an increase of $1,048,000 to the budget request and equal to the fiscal year 2012 enacted level. The Committee directs that the office shall focus resources, when practical, on audits of 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, 2013. In addition, the Committee directs the Inspector General to perform audits, when resources allow, on Treasury's antimoney 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, 2012	$151,696,000
Budget estimate, 2013	153,834,000
Committee recommendation	153,834,000

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].

TIGTA conducts audits, investigations, and inspections 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 2011, TIGTA issued 132 audit reports that included potential financial benefits of approximately $16,900,000,000 (including $7,400,000,000 in cost savings and $9,200,000,000 in increased revenue/revenue protected) and potentially affected 22.7 million taxpayer accounts in areas such as taxpayer burden, taxpayer rights and entitlements, and increased revenue/revenue protected. The Office of Investigations processed 8,924 complaints, and opened 3,622 investigations during fiscal year 2011. The Office of Investigations also closed 3,907 investigations, which included 1,499 cases of employee misconduct referred for action and 237 cases accepted for criminal prosecution during fiscal year 2011.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $153,834,000 for the Treasury Inspector General for Tax Administration. This amount is $2,138,000 above the fiscal year 2012 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 commends TIGTA for its ongoing review of the IRS's business systems modernization program and other information technology projects. The Committee shares TIGTA's concern that the IRS is developing and launching its modernized systems without adequately contemplating the security implications. 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 light of budgetary limitations.

In addition, TIGTA plays a pivotal role in responding to threats and attacks against IRS employees, property, and sensitive information. Furthermore, as the IRS bolsters its efforts to address international tax compliance and combat offshore evasion, TIGTA's attendant responsibilities to build a foundation of inspections of the IRS's global activities have grown, necessitating an international presence, new law enforcement partnerships, and working relationships with foreign revenue collection agencies and antifraud organizations.

The Committee appreciates TIGTA's continued vigilance in monitoring IRS efforts to implement a significant array of amendments to the tax code. Despite resource constraints, the Committee strongly urges TIGTA's sustained oversight of the IRS's effective implementation and administration of the requirements involving taxpayer education and outreach, adequacy of controls to ensure accurate deliverance of tax credits, and development of information technology infrastructure to support all of these areas.

The Committee welcomes TIGTA's ongoing work to evaluate the implementation of the Return Preparer Program and assess the capacity of the IRS to timely detect and filter fraudulent tax returns, promptly resolve claims of innocent taxpayers, and curb the incidence of erroneous refund issuance.

SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM

SALARIES AND EXPENSES

Appropriations, 2012	$41,800,000
Budget estimate, 2013	40,224,980
Committee recommendation	40,225,000

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 $40,225,000 for the SIGTARP for fiscal year 2013. The recommendation is $1,575,000 below the fiscal year 2012 enacted level because the SIGTARP will be able to utilize carryover balances to fund a portion of fiscal year 2013. The recommendation is $20 above the budget request. 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 the public.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

Appropriations, 2012	$110,788,000
Budget estimate, 2013	102,407,000
Committee recommendation	108,307,000

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 antimoney laundering/counterterrorist 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 Governmentwide 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 $108,307,000 for the Financial Crimes Enforcement Network [FinCEN]. This amount is $2,481,000 below the fiscal year 2012 enacted level and $5,900,000 above the budget request.

The Committee is concerned with proposed funding reductions for FinCEN activities. FinCEN plays a key role in preventing terrorism and promoting the Nation's security by deterring and detecting criminal financial activity. The amount recommended above the request will allow FinCEN to continue to provide full intelligence support to external agencies in support of national security, counter terrorism financing, and law enforcement matters. The increase will also allow FinCEN to adequately maintain mission critical functions in fiscal year 2013.

The Committee notes that Public Law 107–58 established FinCEN as a separate bureau within the Department of the Treasury. The Committee finds that there is a tremendous value in FinCEN's current structure, which incorporates rulemaking, compliance, and enforcement functions related to the Bank Secrecy Act under one single bureau. The Committee notes that locating such functions in one bureau or agency is the most common model across the Federal Government, and notes that the Internal Revenue Service and the banking regulators are similarly structured. The Committee finds that this model is an effective management tool because it provides for a continuity of communication with stakeholders in all steps of the process and facilitates collaboration among subject-matter experts. Further, deficiencies and gaps in regulatory coverage identified through the compliance and enforcement process inform future rulemaking decisions, whether it be to reduce industry burdens, close unintended loopholes, or address emerging risks.

The Committee reminds the Department that section 608 of this bill requires prior approval from the Committees on Appropriations for any reprogramming of funds that creates or reorganizes offices, programs, or activities. The Committee finds that reimbursable agreements and other similar funding mechanisms utilized for the purpose of reallocating funding shall be considered a reprogramming of funds under such section. When determining the applicability of section 608, the Department should consult with the Committees on Appropriations.

Information Technology Modernization.—The Committee recommendation supports FinCEN's continued efforts to modernize the technical environment for implementation of the Bank Secrecy Act [BSA]. The modernization, near completion, 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 previous 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 results of the Treasury Office of Inspector General's audit of the modernization project (OIG–12–

047). The Inspector General reported that through May 2011, FinCEN had generally met all scheduled milestones on time and that the project costs are within an acceptable 10-percent budget threshold. The Committee appreciates that FinCEN has engaged stakeholder groups during the development process, including regulators, law enforcement, and industry users of BSA data. The Committee directs FinCEN to prioritize the mapping of BSA data for IRS's purposes so that data integrity is not disrupted. FinCEN is directed to continue 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 $950,000,000 of unobligated balances in the Treasury Forfeiture Fund.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

Appropriations, 2012	$217,805,000
Budget estimate, 2013	([1])
Committee recommendation	([1])

[1] The budget proposes to consolidate the Financial Management Service and the Bureau of the Public Debt under one appropriation entitled "Fiscal Service". Funding proposed for the Fiscal Service for fiscal year 2013 is $360,531,000. The Committee recommendation is consistent with the budget request.

PROGRAM DESCRIPTION

The Financial Management Service [FMS] implements payment policy and procedures for Federal agencies, issues and distributes payments, promotes the use of electronics in the payment process, provides debt collection operational services to client agencies, and implements collections policy, regulations, standards, and procedures for the Federal Government. FMS also 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 Governmentwide reports.

COMMITTEE RECOMMENDATION

The Committee recommends a consolidated appropriation for the Financial Management Service and the Bureau of the Public Debt under a new appropriation entitled "Fiscal Service" and in the amount of $360,531,000, consistent with the budget request.

Alcohol and Tobacco Tax and Trade Bureau

SALARIES AND EXPENSES

Appropriations, 2012	$99,878,000
Budget estimate, 2013	96,786,000
Committee recommendation	100,378,000

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 $100,378,000 for TTB for fiscal year 2013. This amount is $3,592,000 above the budget request and $500,000 above the fiscal year 2012 enacted level.

The Committee recommendation includes $2,000,000 for the costs of special law enforcement agents to continue to target tobacco smuggling and other criminal diversion activities. Illegally trafficked tax-free tobacco is sold at lower prices, increasing consumption and tobacco-related illness while depriving governments of revenue. In 2011, special TTB enforcement efforts led to the initiation of 21 cases with a total estimated combined Federal tax liability of $20,000,000 and seizures and forfeitures of approximately $1,700,000.

The Committee rejects the Department's proposal to transfer enforcement of such tax evasion to the Internal Revenue Service. The Committee notes that TTB has sole jurisdiction over Federal excise tax evasion involving alcohol and tobacco products. The Committee directs the Department and TTB to place a high priority on 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 2011, the Mint transferred $51,000,000 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 $19,000,000 for circulating coinage and protective service capital investments for the Mint. This amount is a decrease of $1,000,000 to the fiscal year 2012 enacted level and is equal to the budget request.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

Appropriations, 2012	$173,635,000
Budget estimate, 2013	[1]
Committee recommendation	[1]

[1] The budget proposes to consolidate the Financial Management Service and the Bureau of the Public Debt under one appropriation entitled "Fiscal Service". Funding proposed for the Fiscal Service for fiscal year 2013 is $360,531,000. The Committee recommendation is consistent with the budget request.

PROGRAM DESCRIPTION

The Bureau of the Public Debt conducts all public debt operations and promotes the sale of U.S. savings-type securities.

COMMITTEE RECOMMENDATION

The Committee recommends a consolidated appropriation for the Financial Management Service and the Bureau of the Public Debt under a new appropriation entitled "Fiscal Service" and in the amount of $360,531,000, consistent with the budget request.

FISCAL SERVICE

SALARIES AND EXPENSES

Appropriations, 2012	([1])
Budget estimate, 2013	$360,531,000
Committee recommendation	360,531,000

[1] The budget proposes to consolidate the Financial Management Service and the Bureau of the Public Debt under one appropriation entitled "Fiscal Service". The fiscal year 2012 enacted level was $217,805,000 for the Financial Management Service and $173,635,000 for the Bureau of the Public Debt.

PROGRAM DESCRIPTION

The Fiscal Service is a proposed consolidation of the Financial Management Service and the Bureau of the Public Debt. The Fiscal Service will continue the operations of both agencies by providing central payment services to Federal agencies, operating the Federal Government's collections and deposit systems, providing governmentwide accounting and reporting services, managing the collection of delinquent debt owed to the Federal Government, borrowing on behalf of the Federal Government, and providing support services for other Federal agencies on a reimbursable basis.

COMMITTEE RECOMMENDATION

The Committee recommends $360,531,000 for the Fiscal Service, consistent with the budget request. The Fiscal Service is a consolidated bureau proposed by the President for fiscal year 2013 and therefore was not provided a specific appropriation for fiscal year 2012. Compared to the fiscal year 2012 enacted level for both the Financial Management Service [FMS] and the Bureau of the Public Debt [BPD], the recommendation represents a decrease of $30,909,000.

The Committee supports the consolidation of the FMS and the BPD into the Fiscal Service. Both entities support the financial management functions for the Federal Government and have collaborated on important initiatives such as data center consolidation and shared human resource services. The Committee commends Treasury for identifying an opportunity to streamline the delivery of financial services and save taxpayer dollars through efficiencies. The Department reports that the proposed consolidation will save $36,000,000 over 5 years. The Committee directs the Fiscal Service to keep the Committee apprised of progress on the consolidation effort.

The Committee has included language (section 119) authorizing the Treasury Department to retain a portion of assets recovered under an unclaimed asset recovery program to cover the cost of such program. The Committee directs that any funds retained by Treasury pursuant to such section shall only be used for operational and administrative costs of recovering unclaimed assets. The remainder of the recovered assets shall be deposited in the Treasury for the purposes of deficit reduction.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT

Appropriations, 2012	$221,000,000
Budget estimate, 2013	221,000,000
Committee recommendation	233,000,000

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.

COMMITTEE RECOMMENDATION

The Committee recommends $233,000,000 for the CDFI Fund, which is an increase of $12,000,000 to both the fiscal year 2012 enacted level and the budget request.

The Committee supports funding for the CDFI Fund because of the program's unique ability to leverage private sector investment in community development projects such as affordable housing, retail development, and community centers, as well as lending to small businesses. Funding for the CDFI Fund expands the power of CDFIs to improve urban and rural communities through sound but patient investment. With just a small amount of seed financing from the CDFI Fund, CDFIs transform communities. CDFIs often provide the "last mile" of financing to our Nation's most challenged areas. CDFIs also provide banking services to the unbanked and others targeted by predatory lenders.

Bank On USA.—The Committee recommends $20,000,000 for the Bank On USA program, consistent with the budget request, 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. 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. The Committee also directs the CDFI Fund to consider underserved rural areas when distributing funding under the Bank On USA program.

Healthy Food Financing Initiative.—The Committee recommends $25,000,000 for the Healthy Food Financing Initiative, consistent with the budget request. The goal of the initiative is to increase the availability of affordable, healthy foods in underserved urban and rural communities. Many of these communities are only served by fast food restaurants and convenience stores that offer limited 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.

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.

Bond Guarantee Program.—The Committee includes a provision enabling the Secretary of the Treasury to guarantee up to $1,000,000,000 in bonds in fiscal year 2013, as authorized by section 1134 of the Small Business Jobs Act of 2010 (Public Law 111–240). The bond guarantees will not result in a cost to the taxpayer. The bonds will support CDFI lending and investment activities in underserved communities by providing a source of long-term capital, and the funds raised through the bonds will be used to capitalize new loans or refinance existing loans.

CDFI Capacity Building.—The Committee recommendation includes $2,000,000 to enhance the CDFI Fund's efforts in building the capacity of CDFIs to serve the needs of underserved communities. The Committee directs that such funds shall be used to support the enhancement of CDFIs' capabilities related to entrepreneurial development, including small dollar lending.

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.

Currency Accessibility for the Blind and Visually Impaired.—The Committee is concerned about the ability of blind and visually impaired individuals to identify denominations of United States currency. In May 2008, the United States District Court for the District of Columbia ordered the Treasury Department to provide meaningful access to currency for blind and visually impaired persons in order to comply with the Rehabilitation Act of 1973. The Committee finds that this is an obligation we have to our service members and veterans who have lost their sight while serving their country.

The Committee directs the Government Accountability Office to report within 180 days on how the BEP can expedite the development, design, testing, and printing of currency with accessibility features, including tactile features and high-contrast numerals. The report should include a description of how the BEP may expedite the Federal acquisition process for the specialized equipment required to create accessibility features.

Further, the Committee directs the BEP to report to Congress and to Treasury's Office of Inspector General [OIG] within 90 days of enactment on a detailed plan, including a timeline, to develop, design, test, and print currency with accessibility features. The plan should also include an analysis of the feasibility of expediting the Federal acquisition process for the specialized equipment required to create accessibility features. The Committee directs the OIG to provide an initial assessment of the plan to the Committee within 60 days of receipt and to report on its progress and implementation every 6 months thereafter until the plan is fully implemented.

Finally, the Committee encourages the BEP to contract with the Library of Congress National Library Service for the Blind and Physically Handicapped, and relevant Executive Agencies, for the purpose of distributing supplemental currency readers to blind and other visually impaired U.S. citizens and legal residents.

INTERNAL REVENUE SERVICE

PROGRAM DESCRIPTION

The Internal Revenue Service [IRS] administers the Nation's tax laws and collects the revenue that funds more than 92 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 2011, the IRS processed more than 234 million returns, issued over 122.8 million refunds, and collected over $2,415,000,000,000 for the Federal Government. Of the more than 143 million individual income tax returns processed, over 76 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 more than 319 million visits to the IRS.gov Web site, over 42 million automated telephone calls, 6.4 million walk-in Taxpayer Assistance Center contacts, and over 34 million telephone calls. The IRS employed a total work force of 91,380, including seasonal and part-time employees. In fiscal year 2011, the average cost of collecting $100 in tax revenue was 51 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 a total of $12,519,084,000 for the Internal Revenue Service for fiscal year 2013. This is an increase of $702,388,000 above the fiscal year 2012 enacted level and $242,129,000 below the budget request.

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 January 2012, the IRS issued an updated estimate, based on tax year 2006 liabilities, reflecting a gross tax gap of $450,000,000,000 and a net tax gap of $385,000,000,000. Of the gross tax gap, more than 83 percent is attributable to underreporting of income. The determination in the 2001 assessment that compliance is far higher when reported amounts are subject to information reporting and, more so, when subject to withholding, remained valid with the 2006 tax gap estimate.

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.

Tax Compliance.—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 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.

Operating Plan and Notification.—In addition to the regular 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.

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, 2012	$2,239,703,000
Budget estimate, 2013	2,253,133,000
Committee recommendation	2,253,133,000

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 $2,253,133,000 for Taxpayer Services, which is $13,430,000 above the fiscal year 2012 enacted level, and the same as the budget request. Bill language is included providing not less than $5,600,000 for the tax counseling for the elderly program, not less than $10,000,000 for low-income taxpayer clinic [LITC] grants, not less than $12,000,000, to be available for 2 years, for a community volunteer income tax assistance [VITA] matching grant program for tax return preparation assistance and $209,500,000 for the Taxpayer Advocate Service.

The Committee recognizes the significant service challenges requiring rapid implementation that the IRS has faced as a result of recent tax law provisions designed to assist taxpayers in difficult economic times.

The Committee acknowledges that telephonic access to the IRS is critical to promoting voluntary compliance. In recent years, the IRS has experienced a decline in its level of service on its toll-free taxpayer service line due to increased volume. The Committee encourages the IRS to continue to make steady progress in its telephonic response performance and work to sustain taxpayer service delivery in an atmosphere of fiscal austerity and budgetary constraints.

E-Filing.—The Committee is heartened by the IRS's steady 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. It costs the IRS 17 cents to process an electronically filed return, compared to $3.66 to process a paper filed return.

Based on filing results for most of 2011, the total number of major individual, business, and tax exempt returns filed electronically grew about 14 percent, representing the strongest annual growth since 2004. As a result, the e-file rate for all major tax returns stands at nearly 67 percent, up from 59 percent for 2010, meaning that about two out of every three major tax returns are now filed electronically.

In view of the high rate of electronic filing of tax returns, IRS's ability to process returns on a daily basis, and the popularity of electronic deposit of refunds, the Committee strongly urges the IRS to reevaluate and update its measure on refund timeliness as recommended by GAO and the IRS Oversight Board.

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 continue 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.

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.

A grant program established in 2008 provides 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 notes that in November 2011, IRS awarded matching grants to 213 organizations enabling them to offer free tax preparation services during the 2012 tax filing season at locations in all 50 States and the District of Columbia. The Committee recognizes that the applications for these grants far exceed the available resources.

The Committee provides that, within funds provided, $12,000,000 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 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 the VITA community matching grant processes.

ENFORCEMENT

Appropriations, 2012	$5,299,367,000
Budget estimate, 2013	5,701,670,000
Committee recommendation	5,611,530,000

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 $5,611,530,000 for enforcement activities for fiscal year 2013. This amount is $312,163,000 above the fiscal year 2012 enacted level and $90,140,000 below the budget request. Bill language is included to provide not less than $60,257,000 to the Interagency Crime and Drug Enforcement program.

Expected Benefits of Investments.—The recommended funding will support restoration of resource reductions experienced in fiscal year 2012 in audit coverage (field examinations, compliance risks of complex business networks, and correspondence examinations particularly focused on refundable credits) and in collection inventory work that helps brings indebted taxpayers into compliance. The funding will also enable the IRS to undertake an array of enforcement initiatives including promoting offshore tax compliance, improving international compliance, implementing a revenue protection strategy to identify and screen questionable refund claims and help prevent issuance of erroneous refund payments, build-out of the return preparer registration program, and address the steady growth in the administrative appeals workload. The Committee notes that funding these enforcement initiatives in fiscal year 2013 is projected to yield an overall return on investment of $4.90 to $1 once new hires reach full potential in fiscal year 2015.

International Tax Compliance.—The Committee supports the use and prioritization of enforcement resources to address business and individual international tax compliance by building upon steady multiyear investments in initiatives and activities to reduce offshore tax evasion, including the success of special voluntary disclosure programs. The Committee commends the IRS for its recent launch of the third offshore program to encourage persons hiding assets overseas to reconcile their U.S. tax responsibilities. Similar initiatives in 2009 and 2011 produced 33,000 voluntary disclosures and reaped more than $4,400,000,000, which recovery level is expected to grow as the IRS continues to process cases.

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 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.

Performance Measures.—The Committee strongly urges the IRS to develop additional performance measures to evaluate the effectiveness of IRS programs such as preparer regulation, new information reports for merchant payment cards and stock basis, the Compliance Assurance Process [CAP] program, and Offshore Voluntary Disclosure programs. The Committee shares the perspective of the IRS Oversight Board that such measures would provide greater insight into how specific initiatives impact compliance and would contribute to better informed management and funding decisions.

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 is encouraged by IRS actions to develop an agency-wide plan and a worker classification team to assist external stakeholders. The Committee understands that the IRS is undertaking a random sampling selection to study worker classification and other employment tax issues, including the safe harbor provision. The Committee looks forward to reviewing 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, 2012	$3,947,416,000
Budget estimate, 2013	4,476,200,000
Committee recommendation	4,324,211,000

PROGRAM DESCRIPTION

The Operations Support appropriation provides for overall planning and direction of the IRS including Infrastructure, including administrative services related to space and housing, rent and space alterations, buildings service maintenance, guard services, and non-IT equipment; Shared Services and Support, including policy management, IRS-wide support for research, strategic planning, communications and liaison, finance, human resources, equity, diversity, and inclusion programs, printing, postage, business systems planning, corporate training, legal services, procurement, and employee benefit programs; and Information Services, including the staffing, equipment, and related costs to manage, maintain, and operate the information systems critical to the support of tax administration programs.

Funding for Operations Support budget activities undergirds both Taxpayer Services and Enforcement programs that depend on agile, sophisticated information systems to promptly and properly process tax and information returns, account for tax revenues collected, permit automated requests for account and return transcripts, issue billings for taxes owed, generate refund payments, assist in selection of returns for audit, and provide telecommunications services for the full array of IRS business activities, including Web site and toll-free phone access.

COMMITTEE RECOMMENDATION

The Committee recommends $4,324,211,000 for Operations Support for fiscal year 2013. This amount is $376,795,000 above the fiscal year 2012 enacted level and $151,989,000 below the budget request. Bill language is included allowing up to $250,000,000 of these funds to remain available until September 30, 2014, for information technology support and not to exceed $1,000,000 to remain available until September 30, 2015, for research; not less than $2,000,000 for the Internal Revenue Oversight Board; and $25,000 for official reception and representation expenses.

The recommended funding supports initiatives being undertaken to implement the information technology and operational infrastructure critical to delivery of new tax credits and other IT changes necessitated by changes in the law. The Committee understands that the IRS recently awarded a contract to update the cost estimates for its multiyear information systems development project underway to meet statutory responsibilities under the Affordable Care Act. The Committee directs that the IRS ensure that this updated cost estimate, estimated to be completed by September 2012, follow the best practices outlined in GAO's Cost Guide for a comprehensive, well-documented, accurate, and credible cost estimate. It is imperative that the Committee be regularly apprised of updated cost estimates in order to have sufficient reliable information about the specific fiscal 2013 funding needs in the context of what has been expended to date and with what results, as well as what costs may be expected to arise in fiscal years beyond 2013.

Through the Health Care and Education Reconciliation Act of 2010 (Public Law 111–152), Congress established the Health Insurance Reform Implementation Fund (HIRIF) and appropriated to the Fund $1,000,000,000 for the Federal administrative expenses to carry out the law. The Committee directs the IRS to submit to the Committee, within 30 days of enactment, a detailed table and explanatory information reflecting the amounts, dates of receipt, and use of HIRIF funds made available to the IRS.

Information Technology [IT] Management and Oversight.—The IRS funds 155 IT systems. Of these, 20 are major systems each having an annual budget of greater than $10,000,000. The IRS has made significant strides in improving the management and oversight of its business systems modernization [BSM] program. The Committee strongly urges the IRS to vigilantly address major systemic problems with its non-BSM portfolio of information technology projects.

The Committee shares the concerns, cited by TIGTA and GAO, that the IRS lacks a comprehensive integrated system to provide accurate, relevant, and timely financial and operating data that can be used to evaluate performance measures, productivity, and the associated costs of IRS programs. This deficiency hinders IRS management decisionmaking as well as congressional oversight of progress in achieving program goals.

The Committee notes that while the IRS uses its IT governance process to track progress in completing activities and achieving milestones in non-BSM IT project implementation, it lacks a quantitative measure for doing so and as a result, cannot determine the extent of functionality achieved as incremental stages of project development are reached. Quantitative measures are valuable project management tools for securing complete information for ascertaining status and progress in delivering systems.

In response to GAO's recommendation as part of its evaluation work related to the BSM spending plans several years ago, the IRS developed a useful measure based on capabilities to be achieved for each milestone. The Committee strongly encourages the IRS to consider developing and using a quantitative measure of scope for all of its non-BSM major IT systems to provide more complete understanding of the functionalities achieved along the course of project work, and to better ensure that investments are producing the results expected. In addition, 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.

Although progress has been made, the Committee remains concerned about chronic material weaknesses in IRS's internal controls over information security that expose systems to serious risk. The Committee expects the IRS to continue efforts to fully address information security vulnerabilities, including promptly instituting corrective action in response to recommendations of TIGTA and GAO in this area.

The Committee directs the administration and the IRS to include within the fiscal year 2014 budget request a proposed long-term multiyear funding strategy and timetable within the Operations Support account to upgrade and modernize the aging legacy IRS information technology infrastructure.

Information Technology Reports.—The Committee directs the IRS to submit quarterly reports on particular major project activities to the Committees on Appropriations and the GAO, no later than 2 weeks following the end of each calendar quarter in fiscal year 2013. The Committee expects the reports to include detailed, plain English explanations of the costs and schedules for the previous 3 months and a description of the anticipated cost and schedule for the upcoming 3 months for the following major information technology project activities: IRS.gov; Returns Remittance Processing; EDAS/IPM; Information Returns and Document Matching; E-services; and other projects associated with significant changes in law. The Committee further directs GAO to review and provide an annual report to the Committees evaluating the cost and schedule of activities of all major IRS information technology projects for the year, with particular focus on the projects about which the IRS is submitting quarterly reports to the Committee.

BUSINESS SYSTEMS MODERNIZATION

Appropriations, 2012	$330,210,000
Budget estimate, 2013	330,210,000
Committee recommendation	330,210,000

PROGRAM DESCRIPTION

The Business Systems Modernization account provides resources for revamping business practices and acquiring new technology. The IRS has undertaken a multiyear, multibillion 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.

COMMITTEE RECOMMENDATION

The Committee recommends $330,210,000 for Business Systems Modernization [BSM] for fiscal year 2013. This amount is the same as the fiscal year 2012 enacted level and the budget request. The Committee encourages the IRS to tap resources available through user fee revenues to augment the direct discretionary appropriation for the BSM program.

The Committee salutes IRS management and staff for achieving two significant milestones in the core tax processing system in the 2012 filing season. First, the IRS successfully deployed the long-awaited change from a weekly batch cycle to daily account processing as part of the Customer Account Data Engine 2 [CADE 2] program. Second, as a result of updates of the Modernized e-File [MeF] program, IRS now accepts electronically all Form 1040 returns and the associated schedules and forms for the first time, and is processing the vast majority of electronic tax returns instead of the legacy e-file system.

The Committee is committed to ensuring continued progress as the IRS builds on the foundational work accomplished in 2012 to launch additional system capabilities. The Committee recognizes that successful high-risk systems modernization efforts depend upon sustained and adequate funding to support automation refinements designed to help improve customer service through faster response, enhance compliance and enforcement activities, and enhance production volumes at lower error rates.

Of the recommend level of $330,210,000, $252,310,000 is expected to support key capital investments, notably (1) CADE2 Transition State 2 developmental activities to employ a single system for managing individual taxpayer accounts that will address financial management applications and material weaknesses, and eliminate security weaknesses to ensure privacy and protection of personally identifiable information, and (2) further enhancements to the MeF platform achieved through final deployment of Form 94X family of tax forms (employment/unemployment tax), development and deployment of Form 1041 (estates and trusts) and requirements development for incorporating additional forms in the MeF platform.

Building on the reporting directive imposed for fiscal year 2012, the Committee expects the IRS to continue to submit quarterly reports to the Committee and the Government Accountability Office [GAO] during fiscal year 2013, no later than 2 weeks following the end of each calendar quarter. The Committee expects the reports to include detailed, plain English explanations of the costs and schedules for CADE2 and MeF activities for the previous 3 months and a description of the anticipated cost and schedule for the upcoming 3 months. The Committee further directs GAO to review and provide an annual report to the Committee evaluating the cost and schedule of CADE2 and MeF activities for the year.

The Committee remains concerned that IRS systems modernization, by its nature, is a high-risk endeavor, and appreciates that the IRS has, in recent years, satisfied the majority of developmental milestones planned for completion early, under budget, or within 10 percent of cost and schedule estimates. Because of the tendency for certain projects or components to exceed schedule and cost estimates, the Committee urges IRS management to maintain close routine scrutiny of cost and schedule factors.

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

(INCLUDING TRANSFER OF FUNDS)

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 2013 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 and protect taxpayers against identity theft.

Section 104 continues, with a modification, a provision directing that funds shall be available for improved facilities and increased staffing to support sufficient and effective 1–800 help line services for taxpayers including enhanced reception and response time of taxpayer correspondence, particularly for victims of tax-related crimes.

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

(INCLUDING TRANSFERS OF FUNDS)

The Committee includes 14 administrative provisions carried over from prior appropriations acts. The administrative provisions are as follows:

Section 106 authorizes certain basic services within the Treasury Department in fiscal year 2013, 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 107 authorizes transfers, up to 2 percent, between Departmental Offices, Office of Inspector General, Special Inspector General for the Troubled Asset Relief Program, Fiscal Service, Alcohol and Tobacco Tax and Trade Bureau, and Financial Crimes Enforcement Network appropriations under certain circumstances.

Section 108 authorizes transfers, up to 2 percent, between the Internal Revenue Service and the Treasury Inspector General for Tax Administration under certain circumstances.

Section 109 requires that the purchase of law enforcement vehicles be consistent with departmental vehicle management principles.

Section 110 prohibits the Department of the Treasury and the Bureau of Engraving and Printing from redesigning the $1 Federal Reserve Note.

Section 111 authorizes the Secretary of the Treasury to transfer funds from Salaries and Expenses, Fiscal 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 112 extends the authority to conduct a personnel management demonstration project.

Section 113 requires prior approval for the construction and operation of a museum by the United States Mint.

Section 114 prohibits the merger of the United States Mint and the Bureau of Engraving and Printing without prior approval of the committees of jurisdiction.

Section 115 authorizes the Department's intelligence activities.

Section 116 permits the Bureau of Engraving and Printing to use $5,000 from the Industrial Revolving Fund for reception and representation expenses.

Section 117 requires the Secretary of the Treasury to develop an annual Capital Investment Plan.

Section 118 relates to refunds, drawbacks, and payments of claims by certain Federal agencies.

Section 119 relates to the recovery of assets of the United States.

TITLE II

EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

COMPENSATION OF THE PRESIDENT

Appropriations, 2012	$450,000
Budget estimate, 2013	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 2012 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, 2012	$56,974,000
Budget estimate, 2013	56,974,000
Committee recommendation	56,974,000

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 White House also serves as the President's representative before the media. In accordance with 3 U.S.C. 105, The White House office also supports and assists the activities of the spouse of the President.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $56,974,000 for The White House, Salaries and Expenses. The recommendation is equal to both the fiscal year 2012 enacted level and the budget request.

The Committee directs the Executive Office of the President [EOP] to allocate sufficient resources to continue the robust operation of the Office of National AIDS Policy [ONAP]. ONAP is responsible for leading implementation of the National HIV/AIDS Strategy and holding Federal agencies and local jurisdictions accountable for implementing effective, scalable, and cost-effective interventions for HIV prevention and care through commissioning policy research, consulting with the HIV/AIDS advocacy community, and helping jurisdictions modernize data collection and other activities to align with the strategy. The Committee directs the administration to continue to coordinate a Governmentwide effort to develop and implement a domestic AIDS strategy, including the development of targets for improved prevention and treatment outcomes.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

OPERATING EXPENSES

Appropriations, 2012	$13,425,000
Budget estimate, 2013	13,200,000
Committee recommendation	13,200,000

PROGRAM DESCRIPTION

These funds provide for the care, maintenance, repair, alteration, refurnishing, 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 $13,200,000 for the Executive Residence at the White House. The Committee recommendation is $225,000 less than the fiscal year 2012 enacted level and 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, 2012	$750,000
Budget estimate, 2013	750,000
Committee recommendation	750,000

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 $750,000 for White House Repair and Restoration, equal to both the budget request and the fiscal year 2012 enacted level.

Council of Economic Advisers

SALARIES AND EXPENSES

Appropriations, 2012	$4,192,000
Budget estimate, 2013	4,192,000
Committee recommendation	4,192,000

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 $4,192,000 for salaries and expenses of the Council of Economic Advisers. This amount is equal to both the budget request and the fiscal year 2012 enacted level.

National Security Council and Homeland Security Council

SALARIES AND EXPENSES

Appropriations, 2012	$13,048,000
Budget estimate, 2013	13,048,000
Committee recommendation	13,048,000

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 $13,048,000 for the salaries and expenses of the National Security Council and the Homeland Security Council. This amount is equal to both the budget request and the fiscal year 2012 enacted level.

Office of Administration

SALARIES AND EXPENSES

Appropriations, 2012	$112,952,000
Budget estimate, 2013	114,952,000
Committee recommendation	114,952,000

PROGRAM DESCRIPTION

The Office of Administration provides administrative services to the EOP. 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 $114,952,000 for the Office of Administration for fiscal year 2013. This amount is an increase of $2,000,000 to the fiscal year 2012 enacted level and is equal to the budget request.

The Committee's recommendation includes $10,403,000 to stabilize and modernize the information technology infrastructure within the EOP. This funding supports the continuation of a major initiative that will refresh the aging information technology infrastructure, strengthen disaster recovery and information security capabilities, and transition the EOP's communications architecture to integrate mobile devices while complying with security and records management requirements. The Committee is pleased with progress to date on the initiative and notes that metrics tracking results have improved dramatically. The Committee supports continued investment in the initiative to further modernize the IT infrastructure, accommodate increasing data needs, and prepare for cybersecurity threats.

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 emails, 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, 2012	$89,456,000
Budget estimate, 2013	91,542,000
Committee recommendation	91,542,000

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 $91,542,000 for the Office of Management and Budget, which is $2,086,000 above the fiscal year 2012 enacted level and equal to the budget request.

The Committee reminds OMB of its obligation to keep the Committee informed on decisions made, including the process for such decisionmaking, related to resource allocation within funding provided for programs, projects, and activities. The Committee directs OMB to follow congressional intent and consult the Committee immediately if there are barriers to implementing congressional intent or questions regarding congressional intent. The Committee notes that the report accompanying the Energy and Water Development Appropriations Bill, 2013 (Senate Report 112–164), as reported by the Senate Committee on Appropriations, requires the Army Corps of Engineers to provide the Committee within 45 days of enactment a work plan related to the account titled "Mississippi River and Tributaries, Remaining Items, Additional Funding for Ongoing Work" delineating how funds provided for the account are to be distributed. The work plan shall include a listing of all the studies and construction projects that were considered eligible and could have used funding for fiscal year 2013 and the reasons why these items were considered as being less competitive for inclusion in the work plan. The Committee directs OMB to facilitate the completion and submission of the work plan and to ensure that such work plan includes sufficient detail on resource allocation within the account.

The Committee directs OMB to submit a report within 90 days of enactment on the feasibility of producing an analysis of current levels of spending on children and children's programs, including a detailed breakdown by agency, department, and initiative.

The Committee notes that OMB maintains the Federal Government's core budgeting system, which is accessed by over 1,000 users Governmentwide to collect, validate, analyze, prepare, and publish information related to the Federal budget. The Committee appreciates OMB's submission of the required report detailing current capabilities of and deficiencies in the system. In recent years, OMB has added the capability for the system to collect, analyze, and share information on Governmentwide management and budgeting activities. However, the last major upgrade to the system was completed in 1993. The Committee notes that, using limited resources, OMB has made improvements to the system that have enhanced data quality and implemented efficiencies in the budget process. The Committee directs OMB to continue making enhancements to the system within current resources and to notify the Committee of any cost-effective opportunities that OMB may identify to further improve the system.

The Committee reminds OMB of its duty to honor the terms and conditions of appropriations acts by not only reviewing reprogramming requests submitted to the Committees on Appropriations pursuant to the reprogramming conditions of this or any other act, but also by reviewing agency activities for compliance with reprogramming conditions. With regard to section 608 of this bill, the Committee finds that reimbursable agreements and other similar funding mechanisms utilized for the purpose of reallocating funding shall be considered a reprogramming of funds under such section. When determining the applicability of section 608, OMB and the agencies should consult with the Committees on Appropriations.

OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

Appropriations, 2012	$24,500,000
Budget estimate, 2013	23,413,000
Committee recommendation	24,500,000

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 High Intensity Drug Trafficking Areas program, the Drug-Free Communities Support 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 $24,500,000 for ONDCP's salaries and expenses. This amount is the same as the fiscal year 2012 enacted level and $1,087,000 above the budget request. Due to budget constraints, no funding is provided for policy research.

The Committee appreciates efforts to reduce the often lengthy clearance process at the Executive Office of the President [EOP] which delays submission of budgetary information required by Congress in a timely manner.

FEDERAL DRUG CONTROL PROGRAMS

HIGH INTENSITY DRUG TRAFFICKING AREAS

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2012	$238,522,000
Budget estimate, 2013	200,000,000
Committee recommendation	238,522,000

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 $238,522,000 for the HIDTA program, the same as the fiscal year 2012 level and $38,522,000 above the budget request. The Committee directs that funding shall be provided for the existing HIDTAs at no less than the fiscal year 2012 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.

The Committee directs that 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.

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.

OTHER FEDERAL DRUG CONTROL PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2012	$105,550,000
Budget estimate, 2013	118,600,000
Committee recommendation	128,584,000

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.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $128,584,000 for Other Federal Drug Control Programs, which is $23,034,000 above the fiscal year 2012 enacted level and $9,984,000 above the budget request. Within this amount, the Committee provides the following funding levels:

	Amount
Youth Drug Prevention Media Program	$20,000,000
Drug-Free Communities Support Program	95,134,000
National Community Anti-Drug Coalition training	2,000,000
Drug court training and technical assistance	1,400,000
Anti-doping activities	9,000,000
World Anti-Doping Agency [WADA]	1,900,000
Activities as authorized by Public Law 109–469, section 1105	1,150,000
Performance Measures Development	....

Youth Drug Prevention Media Program.—This antidrug messaging program targets teens through online and television messages as well as engaging youth through community partners. The Committee is aware of reports that marijuana use has increased among teens, marking an upward trend over the past 3 years. Past-month use is up 42 percent (about 1.4 million additional teens), up from 19 percent in 2008 to 27 percent in 2011. Past-year use is up 26 percent (about 1 million additional teens) up from 31 percent in 2008 to 39 percent in 2011. In addition, the percentage of teens smoking marijuana heavily (at least 20 times in the past month) grew from 5 percent in 2008 to 9 percent (nearly 800,000 additional teens) in 2011. The Committee believes that antidrug messaging to reach this population remains an important goal. The Committee provides $20,000,000 for the Youth Drug Prevention Media Program.

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 $95,134,000 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.

Antidoping Activities.—Antidoping activities focus on efforts to educate athletes on the dangers of drug use, eliminate doping in amateur athletic competitions, and rely on standards established and recognized by the United States Olympic Committee. The United States Anti-Doping Agency [USADA] is the independent antidoping 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 antidoping policy and to enforce any doping violations. The Committee provides $9,000,000 for antidoping activities.

UNANTICIPATED NEEDS

Appropriations, 2012	$988,000
Budget estimate, 2013	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 $12,000 more than the amount appropriated in fiscal year 2012 and equal to the budget request.

PARTNERSHIP FUND FOR PROGRAM INTEGRITY INNOVATION

Appropriations, 2012	....
Budget estimate, 2013	$1,000,000
Committee recommendation	1,000,000

PROGRAM DESCRIPTION

The Partnership Fund for Program Integrity Innovation (Partnership Fund) was initiated in fiscal year 2010. The Partnership Fund supports pilot programs designed to reduce errors and improve efficiency and service of Federal programs administered by States. The pilot programs 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 selects pilot programs for funding, develops strategies and goals for the overall program as well as for each pilot program, and develops methodologies for assessing the performance of the overall program and the pilot programs.

COMMITTEE RECOMMENDATION

The Committee recommends $1,000,000 for the administrative expenses of the Partnership Fund in fiscal year 2013, consistent with the budget request. In fiscal year 2012, the Partnership Fund operated using funds provided in prior years and did not require a new appropriation to continue its operations. The Committee directs the administration to continue to leverage program funds provided in fiscal year 2010 to continue the initiative during fiscal year 2013.

The Committee is pleased with the initiative which is designed 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 reminds the interagency council of the semiannual progress reports that are required to be submitted to the Committees on Appropriations.

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, 2012	$5,000,000
Budget estimate, 2013	5,000,000
Committee recommendation	5,000,000

PROGRAM DESCRIPTION

The goal of the Integrated, Efficient and Effective Uses of Information Technology [IEEUIT] program is to turn around poorly performing information technology projects and to centralize key information technology [IT] services for Government agencies, saving taxpayer dollars in the future that would otherwise be spent on inefficient and duplicative IT services. The EOP began a major IT reform effort in fiscal year 2009 by leveraging existing resources provided for management improvements and dedicated funding for the effort was first provided in fiscal year 2012.

COMMITTEE RECOMMENDATION

The Committee recommends $5,000,000 for the IEEUIT, equal to both the fiscal year 2012 enacted level and the budget request.

The Committee lauds the administration's comprehensive and innovative approach to improving IT development processes and maximizing efficiencies across the Federal IT portfolio. The Federal Government invests $80,000,000,000 a year in IT development for a wide variety of capabilities, spanning, for example, from basic desktop computing to a searchable database for investigating terrorist financing activity.

Using resources provided for general management improvements, in 2009 the administration began a major IT reform effort focused on improving poorly performing IT projects, consolidating costly data centers, and consolidating common IT functions across Federal agencies. The administration estimates that taxpayer savings realized to date under the current IT reform initiative totals approximately $7,000,000,000.

The Committee reminds the EOP that the Committee expects to be regularly apprised of how Governmentwide IT reform efforts affect agency-specific projects and missions on a case-by-case basis. The Committee directs that IT reform initiatives 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 EOP to notify the Committee immediately upon any change in an agency spending plan pursuant to any efforts to modernize, streamline, or improve Federal IT projects.

SPECIAL ASSISTANCE TO THE PRESIDENT

SALARIES AND EXPENSES

Appropriations, 2012	$4,328,000
Budget estimate, 2013	4,328,000
Committee recommendation	4,328,000

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. These funds also support the official activities of the spouse of the Vice President. The Vice President also has a staff funded by the Senate to assist him in the performance of his legislative duties.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $4,328,000 for special assistance to the President. This amount is the same as both the budget request and the fiscal year 2012 enacted level.

Official Residence of the Vice President

OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2012	$307,000
Budget estimate, 2013	307,000
Committee recommendation	307,000

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 $307,000 for the official residence of the Vice President. This amount is the same as both the budget request and the fiscal year 2012 enacted level.

Administrative Provisions—Executive Office of the President and Funds Appropriated to the President

(INCLUDING TRANSFERS OF FUNDS)

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

Section 202 requires a detailed financial plan by the Director of ONDCP prior to the obligation of funds in fiscal year 2013.

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

Section 204 establishes reprogramming requirements for ONDCP.

Section 205 requires a report on appropriations accounts subject to sequestration pursuant to section 251(a) of the Balanced Budget and Emergency Deficit Control Act of 1985.

Section 206 requires a report on accounts subject to sequestration in fiscal year 2013 pursuant to section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985.

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, 2012	$74,819,000
Budget estimate, 2013	77,165,000
Committee recommendation	77,165,000

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 $77,165,000 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 $2,346,000 above the fiscal year 2012 funding level and consistent with the budget request.

CARE OF THE BUILDING AND GROUNDS

Appropriations, 2012	$8,159,000
Budget estimate, 2013	11,963,000
Committee recommendation	11,963,000

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 $11,963,000 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 $3,804,000 more than the fiscal year 2012 funding level and the same as the budget request.

The Court shall continue to provide to the Committee detailed single-spaced quarterly reports on the Supreme Court modernization project, including descriptions; timeliness; milestones; and funding committed, obligated, and expended, as well as any unobligated balances of each major capital project. In addition, the report should include the identification, descriptions, and status of any contract claims.

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

SALARIES AND EXPENSES

Appropriations, 2012	$32,511,000
Budget estimate, 2013	34,328,000
Committee recommendation	33,720,000

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 subjects, 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 $33,720,000. The recommendation is $1,209,000 above the fiscal year 2012 funding level and $608,000 below the budget request. The Committee believes that in this fiscal climate, lower-priority activities cannot continue to be funded at the same levels. Consequently, funding has been reduced for cyclical maintenance and tenant alterations, consistent with the funding requests for other courts.

UNITED STATES COURT OF INTERNATIONAL TRADE

SALARIES AND EXPENSES

Appropriations, 2012	$21,447,000
Budget estimate, 2013	22,880,000
Committee recommendation	22,880,000

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 $22,880,000. The recommendation is $1,433,000 above the fiscal year 2012 funding level and the same as the budget request.

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

SALARIES AND EXPENSES

Appropriations, 2012	$5,015,000,000
Budget estimate, 2013	5,148,799,000
Committee recommendation	5,142,005,000

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 $5,142,005,000 for salaries and expenses. The recommendation is $127,005,000 above the fiscal year 2012 funding level and $6,794,000 below the budget request.

Perimeter Security Pilot Project.—The Committee is aware that the judiciary is undertaking a review of court security officer staffing standards and upon completion encourages the judiciary to consider opportunities to expand the perimeter security pilot project at additional primary courthouses on a cost-neutral basis.

VACCINE INJURY COMPENSATION TRUST FUND

Appropriations, 2012	$5,000,000
Budget estimate, 2013	5,354,000
Committee recommendation	5,354,000

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 $5,354,000. The recommendation is $354,000 above fiscal year 2012 funding level and the same as the budget request.

DEFENDER SERVICES

Appropriations, 2012	$1,031,000,000
Budget estimate, 2013	1,063,517,000
Committee recommendation	1,048,517,000

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 $1,048,517,000. The recommendation is $17,517,000 above the fiscal year 2012 funding level and $15,000,000 below the budget request. The Committee believes that funding for fiscal year 2013 Federal Defender Office [FDO] staffing in the request is overstated by $8,000,000 because of delays in hiring in fiscal year 2012. In addition, the Committee further reduces FDO funding by $13,000,000 because, unlike the courts, the FDOs have not performed sufficient cost containment. Last, based on fiscal year 2012 estimates, the Committee increases funding for panel attorney payments by $6,000,000.

FEES OF JURORS AND COMMISSIONERS

Appropriations, 2012	$51,908,000
Budget estimate, 2013	54,635,000
Committee recommendation	54,635,000

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 $54,635,000. The recommendation is $2,727,000 above the fiscal year 2012 funding level and the same as the budget request.

COURT SECURITY

(INCLUDING TRANSFERS OF FUNDS)

Appropriations, 2012	$500,000,000
Budget estimate, 2013	514,673,000
Committee recommendation	512,673,000

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 $512,673,000. The recommendation is $12,673,000 above the fiscal year 2012 funding level and $2,000,000 below the budget request.

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

SALARIES AND EXPENSES

Appropriations, 2012	$82,909,000
Budget estimate, 2013	85,148,000
Committee recommendation	85,148,000

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 $85,148,000. This recommendation is $2,239,000 above the fiscal year 2012 funding level and the same as the budget request.

FEDERAL JUDICIAL CENTER

SALARIES AND EXPENSES

Appropriations, 2012	$27,000,000
Budget estimate, 2013	27,729,000
Committee recommendation	27,519,000

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 $27,519,000. The recommendation is $519,000 above the fiscal year 2012 funding level and $210,000 below the budget request.

JUDICIAL RETIREMENT FUNDS

PAYMENT TO JUDICIARY TRUST FUNDS

Appropriations, 2012	$103,768,000
Budget estimate, 2013	125,464,294
Committee recommendation	125,464,294

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 $125,464,000 for payments to the Judicial Officers' Retirement Fund and the Claims Court Judges Retirement Fund. The recommendation is $21,696,294 above the fiscal year 2012 funding level and consistent with the budget request.

UNITED STATES SENTENCING COMMISSION

SALARIES AND EXPENSES

Appropriations, 2012	$16,500,000
Budget estimate, 2013	17,061,000
Committee recommendation	17,061,000

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 $17,061,000. The recommendation is $561,000 above the fiscal year 2012 funding level and the same as the budget request.

ADMINISTRATIVE PROVISIONS—THE JUDICIARY

(INCLUDING TRANSFERS OF FUNDS)

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

Section 305 provides continued authority for a court security pilot program.

Section 306 extends for various short-term durations the authorization of a temporary judgeship in Kansas, Hawaii, Arizona, Florida, New Mexico, California, and Missouri.

Section 307 authorizes additional district judgeships in California, Texas, Minnesota, and Arizona, where caseloads have reached unsustainable levels and converts a temporary judgeship to permanent status in California and in Arizona.

TITLE IV

DISTRICT OF COLUMBIA

FEDERAL PAYMENTS

FEDERAL FUNDS

A total of $676,152,000 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 $10,512,000 above the fiscal year 2012 enacted level and $1,671,000 below the budget request.

FEDERAL PAYMENT FOR RESIDENT TUITION SUPPORT

Appropriations, 2012	$30,000,000
Budget estimate, 2013	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 over a decade ago, the program has disbursed more than $307,000,000 as of February 2012 for the benefit of more than 18,663 District of Columbia residents, with grants averaging $6,339 per year. For the most recently completed academic year (2010–2011), 5,103 students received $32,300,000 in grants. Sixty percent of the program grantees are the first in their families to attend college. Program participants have enrolled in more than 600 colleges and universities in 48 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 program, $5,100,000 above the fiscal year 2012 enacted level and the same as the budget request.

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 48 percent graduate from college in 6 years.

The Committee is encouraged by the array of initiatives that the State Superintendent has launched or is contemplating in the immediate future that are designed to enhance college retention and success. These programs include financial aid forums, guidance counselor certification, boot camps and summer institute programs, high achievers program, a retention mentor program, and a smart college choice campaign to guide students in selection of colleges and universities particularly suited to their academic and financial needs.

The Committee directs that the State Superintendent shall include, as a component of the fiscal year 2014 budget justification submission, an annual update 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.

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

Appropriations, 2012	$14,900,000
Budget estimate, 2013	24,700,000
Committee recommendation	24,700,000

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 effective and efficient coordinated operations.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of $24,700,000, 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 $9,800,000 above the fiscal year 2012 enacted level and the same as the budget request.

Of the total funding recommended, the Committee expects that $14,900,000 will be designated for meeting the regular, expected annual emergency planning and security costs. The Committee directs that the additional amount of $9,800,000 be devoted to upfront planning activities leading up to and associated with the 57th Presidential Inauguration. These funds are separate and independent of any post-Inaugural reimbursement.

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 2014. The Committee further directs the District of Columbia to submit, within 60 days of the end of fiscal year 2013, 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, 2012	$232,841,000
Budget estimate, 2013	219,651,000
Committee recommendation	225,370,000

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 improvement projects include implementation of the updated Facilities Master Plan, with particular focus on expansion of the Moultrie Courthouse to address space shortfalls. 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 $225,370,000, which is $7,471,000 below the fiscal year 2012 enacted level and $5,719,000 above the President's budget request. This amount includes $13,118,000 for the Court of Appeals, $111,746,000 for the Superior Court, $66,756,000 for the Court System, and $33,750,000 for capital improvements to courthouse facilities.

The Committee recommendation for the District of Columbia Court System is $719,000 above the President's recommended funding of $66,037,000 and will permit the Court System to support strategic transformation of human resources management to an integral partnership within the administration of the courts, address the maintenance and utility costs attendant to occupying the newly renovated Building C, and provide minimum baseline security improvements, including dedicated staffing and access control equipment.

The Committee recommendation for capital improvements provides $5,000,000 above the President's recommendation of $28,750,000 to support the Facilities Master Plan, particularly the Moultrie Courthouse Addition (C Street Expansion). The Committee acknowledges that steady progress on the Facilities Master Plan should provide a cost-effective path to address deficiencies in the Courts' space needs.

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.

FEDERAL PAYMENT FOR DEFENDER SERVICES IN DISTRICT OF COLUMBIA COURTS

Appropriations, 2012	$55,000,000
Budget estimate, 2013	49,890,000
Committee recommendation	50,000,000

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 $50,000,000 for Defender Services in the District of Columbia Courts. This is $5,000,000 below the fiscal year 2012 enacted level and $110,000 above the budget request.

The reduction in the budgetary needs for this program is attributable to the laudable savings realized from use of a new accounting methodology and enhanced technology that provide more precise tools to account for and project costs. The Committee commends the vast improvements in business processes and management that have reduced the timespan from initial appointment of counsel to payment for services to 3 years, down from 7 years.

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

Appropriations, 2012	$212,983,000
Budget estimate, 2013	215,506,000
Committee recommendation	215,506,000

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 25,000 different offenders over the course of a year and the Pretrial Services Agency [PSA] which monitors approximately 7,000 defendants at any given time and supervised 26,752 unique placements, of which 4,454 were treatment placements, during fiscal year 2011.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of $215,506,000, which is $2,523,000 above the fiscal year 2012 enacted level and the same as the budget request. Of this amount, $58,911,000 is designated for the Pretrial Services Agency and $156,595,000 is designated for the Community Supervision Program.

The Committee is supportive of CSOSA's efforts to successfully reintegrate ex-offenders to their communities and notes the centrality of job training and employment readiness in reducing recidivism. CSOSA is encouraged to work with organizations that have demonstrated effectiveness and best practices to improve the outcomes for men and women returning home from prison and under court supervision.

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 Community Supervision Program has successfully lowered its caseloads to nationally recommended levels, a significant improvement over the 100:1 average ratios prior to the Agency's inception.

The Committee appreciates the efforts of CSOSA management to identify savings and other efficiencies through targeted cutbacks, streamlining of programs, and strategic reorganization as the agency fulfills its critical mission and addresses high priority public safety needs amid Governmentwide fiscal constraints.

The Committee commends the collaborative efforts of the Community Supervision Program to continue 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, 2012	$37,241,000
Budget estimate, 2013	39,376,000
Committee recommendation	39,376,000

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 $39,376,000, which is $2,135,000 above the fiscal year 2012 enacted level and the same as the budget request.

The Committee provides authority in section 814 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, 2012	$15,000,000
Budget estimate, 2013	11,500,000
Committee recommendation	15,000,000

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 entered on March 23, 2005, the Water and Sewer Authority is undertaking a 20-year, $2,600,000,000 sewer construction program to reduce combined sewer overflows [CSO]. The Clean Rivers Project 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 $15,000,000 to be matched by at least $15,000,000 provided by the Water and Sewer Authority, to continue implementation of the Long-Term Combined Sewer Overflow Control Plan. This is the same as the fiscal year 2012 enacted level and $3,500,000 above the budget request. The Committee understands that the Clean Rivers project is currently exploring a more expansive investment in green infrastructure through a full-scale demonstration pilot program with low impact development technologies. The Committee is encouraged by the potential benefits not only for stormwater management, but for job creation, improved air quality, greener public and private spaces, and added wildlife habitat.

FEDERAL PAYMENT TO THE CRIMINAL JUSTICE COORDINATING COUNCIL

Appropriations, 2012	$1,800,000
Budget estimate, 2013	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 CJCC. This is the same as the fiscal year 2012 enacted level and the budget request.

Among the array of activities that the recommended Federal payment will support during fiscal year 2013 is enhancing the JUSTIS information system's capabilities to promote sharing of public safety information and more effective mobilization in response to matters transcending a single agency. The Committee expects that the resources will also support the GunStat initiative; improved sharing of information on mental health and substance abuse to redirect persons to necessary support services; records management, court-based release, court processing and papering reforms; clear business processes to help reduce the number of outstanding warrants; and 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 2014 budget justification, which should also describe progress made on individual CJCC initiatives.

FEDERAL PAYMENT FOR JUDICIAL COMMISSIONS

Appropriations, 2012	$500,000
Budget estimate, 2013	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 $205,000 is designated for the Judicial Nomination Commission and $295,000 is designated for the Commission on Judicial Disabilities and Tenure. This amount is the same as the fiscal year 2012 enacted level and 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 FOR SCHOOL IMPROVEMENT

Appropriations, 2012	$60,000,000
Budget estimate, 2013	60,000,000
Committee recommendation	53,500,000

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.

For the last 5 years the District has charted 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 have chronically performed well below national averages in reading and mathematics. The Committee commends the progress that has been made to streamline bureaucracy, recruit new principals, expand course offerings available to students, expand pre-K classrooms, complete major renovations, and raise math and reading test scores. For the ensuing 2012–2013 school year, enrollment of 54,982 students is projected.

Public charter schools in the District of Columbia have grown considerably since the first two opened in 1996 and served 160 students. In school year 2011–2012, 52 tuition-free, autonomous public charter schools on 93 campuses operated in the District, enrolling 31,768 students in every ward of the city, and serving nearly 40 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. In April 2011, the Opportunity

Scholarship Program was reauthorized for 5 years through enactment of Public Law 112–10, division C. 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 2010–2011, 1,615 students participated in the program and were enrolled at nonpublic schools. This represented an increase of 58 percent above the 1,017 students enrolled in the 2010–2011 school year.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of $53,500,000, which is $6,500,000 below the fiscal year 2012 enacted level and $6,500,000 below the budget request. These funds are allocated as follows: $20,000,000 for the District of Columbia Public Schools to improve public school education, $20,000,000 to expand quality charter schools and $13,500,000 for the Secretary of Education for private school scholarships under Public Law 112–10, division C.

The Committee does not adopt the request to provide no funding for the Opportunity Scholarship Program in fiscal year 2013 or to limit the enrollment to the school year 2011–2012 level. Instead, the Committee recommends a payment of $13,500,000, reflecting expected resource needs for the next two school years, based on historic attrition and enrollment rates and anticipated increases in program participation by new students, measured in tandem with the funds on hand.

The Committee believes it is essential to consider projected resource needs in light of the fact that there is $34,233,406 currently available to the program, without additional funding. These funds consist of $12,688,000 in grantee carryover funds; $1,545,000 in Department of Education carryover funds for evaluation; and $20,000,000 in appropriated funds provided in Public Law 112–74.

For school year 2012–2013, the recommended funding will support approximately 2,225 total students, calculated at the maximum inflation-adjusted scholarship rate, plus the annual expenses for administration and program assessment and evaluation. This would represent a potential net increase of 610 students or 38 percent more scholarship participants than the 1,615 students in school year 2011–2012.

The Committee notes that the available unobligated balances are, in part, the result of a prior suspension of the program and a desire to ensure that students already enrolled in the program have the ability to continue through graduation. Congress expressed its intent to continue this program through continuous funding and a 5-year reauthorization in 2011. The Committee expects that any funding appropriated for the Opportunity Scholarship Program, including currently available balances, will be used to continue the program and admit new students.

The Committee directs the Secretary of Education to develop, as necessary, appropriate cost containment protocols, consistent with Public Law 112–10, division C, to address potential enrollment oversubscription issues posed by retention of students newly entering the program and extension to new enrollments in future school years to ensure that any expansion of the program is undertaken in conformity with the authorized funding level.

Public Schools.—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. The Committee expects that this spending plan should contain a particular emphasis on initiatives to improve 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. The Committee expects the District to continue to make substantial progress in achieving compliance with the 2006 Federal court-ordered 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.

Public Charter Schools.—With respect to the recommended Federal payment for fiscal year 2013 for public charter schools, 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 executing 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.

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 directs the Mayor of the District of Columbia to submit to the Committees on Appropriations, as part of the fiscal year 2014 Federal payment budget justification materials, a detailed fiscal year 2014–2018 public education facilities plan that will ensure public charter school access to surplus or underutilized DCPS space.

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.

Private School Scholarships.—The Committee expects that any school enrolling a scholarship participant under the Opportunity Scholarship Program should satisfy certain minimum reasonable expectations as an educational setting in full compliance with the statutory requirements of section 3007(a)(4) of Public Law 112–10, division C relating to valid certificates of occupancy, school accreditation, site inspections, financial stability, fiscal management controls, and teacher qualifications.

The Committee directs the Secretary of Education to work with the Office of Management and Budget to develop and implement suitable administrative control mechanisms to promote greater oversight of the program.

FEDERAL PAYMENT FOR THE D.C. NATIONAL GUARD

Appropriations, 2012	$375,000
Budget estimate, 2013	500,000
Committee recommendation	500,000

PROGRAM DESCRIPTION

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 $500,000 for the D.C. National Guard designated for the Major General David F. Wherley, Jr. District of Columbia National Guard Retention and College Access Program, a tuition assistance program for non-resident District of Columbia National Guard members. This amount is $125,000 above the fiscal year 2012 enacted level and the same as the budget request.

FEDERAL PAYMENT FOR REDEVELOPMENT OF THE ST. ELIZABETHS HOSPITAL CAMPUS

Appropriations, 2012	....
Budget estimate, 2013	$9,800,000
Committee recommendation	9,800,000

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 2013 budget request seeks a new Federal payment of $9,800,000 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 recommends a one-time Federal payment of $9,800,000, to remain available until expended, to support the revitalization efforts underway at the East Campus of St. Elizabeths in the District of Columbia. The Committee understands that the Federal funding will be leveraged with a total of $28,700,000 in local and private funds in fiscal year 2013 to support revitalization that will bring together opportunities for community business development, workforce development, financial services, and other economic benefits for the community.

FEDERAL PAYMENT FOR HIV/AIDS PREVENTION

Appropriations, 2012	$5,000,000
Budget estimate, 2013	5,000,000
Committee recommendation	5,000,000

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. Currently, 3.2 percent of the population was diagnosed and is living with HIV in the District. Studies suggest that between one-third and one-half of people who are HIV positive in the District are unaware of their status. Early diagnosis and increased access to care improves health outcomes and reduces the chances of spreading the disease. According to the most recent local epidemiology report, more than 75 percent of persons in the District entered into care and treatment within 3 months of their HIV diagnosis, a steady increase from the 58 percent in 2005. The proportion of persons progressing from HIV to AIDS decreased to 24.2 percent in 2008, cut nearly in one-half from 47 percent in 2004. The number of deaths among persons with HIV/AIDS decreased by more than one-half, from 326 in 2005 to 153 in 2009.

COMMITTEE RECOMMENDATION

The Committee acknowledges the serious situation and recommends a special Federal payment of $5,000,000 to support the use of emerging and effective technology and social networking to promote regular and routine testing to significantly increase the number of District residents who know their HIV status and increase the number of HIV positive residents immediately linked to care.

FEDERAL PAYMENT FOR JOB TRAINING PILOT PROGRAM

Appropriations, 2012	....
Budget estimate, 2013	$2,000,000
Committee recommendation	....

The budget requests a special Federal payment of $2,000,000 to support pilot programs focused on workforce development of core job and computer skills and green job training initiatives aimed at adult residents in three city wards with chronically high-unemployment levels that are overwhelmingly more extensive than the cumulative average of other areas of the city and far surpass the national average. Programs would focus on narrowing the digital divide and enhance computer literacy and using modernized buildings as training facilities to help prepare District residents to meet the projected demand for green workforce skills.

COMMITTEE RECOMMENDATION

The Committee is unable to support the request for a new special Federal payment to the District of Columbia. The Committee urges the District to fully explore and exhaust other Federal grant options and private sources to augment local investments to support these pilot programs in fiscal year 2013.

FEDERAL PAYMENT FOR D.C. COMMISSION ON THE ARTS AND HUMANITIES GRANTS

Appropriations, 2012	....
Budget estimate, 2013	$2,500,000
Committee recommendation	....

The budget requests a special Federal payment of $2,500,000 to fund competitively awarded grants for nonprofit fine and performing arts organizations based in and primarily serving the District of Columbia. This request relates to a proposal to eliminate funding for the National Capital Arts and Cultural Affairs [NCACA] grants program administered by the Commission on Fine Arts, a Federal entity funded under the Interior appropriation.

COMMITTEE RECOMMENDATION

The Committee is unable to support the request for a new special Federal payment to the District of Columbia for grants for nonprofit fine and performing arts organizations in fiscal year 2013.

DISTRICT OF COLUMBIA FUNDS

The Committee recommends a total of $11,356,050,000 for the operating expenses of the District of Columbia as contained in the fiscal year 2013 budget submitted to the Congress by the government of the District of Columbia. Of the total, $6,379,906,000 is from local funds, $998,179,000 is from Federal grant funds, $2,165,470,000 is from other funds, and $9,352,000 is from private funds. The Committee further recommends an additional $130,900,000 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 reprogramming guidelines.

TITLE V

INDEPENDENT AGENCIES

Administrative Conference of the United States

SALARIES AND EXPENSES

Appropriations, 2012	$2,900,000
Budget estimate, 2013	3,200,000
Committee recommendation	3,200,000

PROGRAM DESCRIPTION

The Administrative Conference of the United States [ACUS] is an independent agency and advisory committee 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 $300,000 above the fiscal year 2012 enacted level.

Christopher Columbus Fellowship Foundation

SALARIES AND EXPENSES

Appropriations, 2012	$450,000
Budget estimate, 2013	....
Committee recommendation	450,000

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.

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 $450,000 for the Christopher Columbus Fellowship Foundation. This is the same as the fiscal year 2012 enacted level and $450,000 above the budget request.

CIVILIAN PROPERTY REALIGNMENT BOARD

Appropriations, 2012	....
Budget estimate, 2013	$57,000,000
Committee recommendation	....

The Civilian Property Realignment Board would be an independent agency that assists the President and Congress in identifying ways the Government can eliminate unneeded assets and downsize its real property inventory. The purpose of the Board would be to create a fair process for the timely disposal and realignment of Federal real property. The goals of the Board would be to sell unneeded property, reduce the operating costs of the Government, support and incentivize agency co-location, and improve the sustainability of the Government's operations.

COMMITTEE RECOMMENDATION

The Committee recommends no funding as neither the Civilian Property Realignment Board nor the Civilian Property Realignment Act has been authorized by Congress.

COMMODITY FUTURES TRADING COMMISSION

SALARIES AND EXPENSES

Appropriations, 2012	$205,294,000
Budget estimate, 2013	308,000,000
Committee recommendation	308,000,000

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's statutory mandate was renewed and/or expanded in 1978, 1982, 1986, 1992, 1995, 2000, 2008, and 2010.

The CFTC is the sole Federal regulator responsible for overseeing the futures, options, and swaps 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 fosters open, competitive, and financially sound markets. This enables the markets to better serve their designated functions of providing a price discovery mechanism and a means to offset price risk.

Under the Dodd-Frank Wall Street and Consumer Protection Act (Public Law 111–203), the CFTC faces the daunting added responsibility of comprehensive oversight of the once-unregulated $300,000,000,000,000 over-the-counter U.S. derivatives market to protect and benefit end-users and the broader American public. This complex swaps market has a notional value of nearly eight times the size of that of the futures markets.

Programs in support of the overall CFTC 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.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $308,000,000 for the Commodity Futures Trading Commission. This is $102,706,000 above the fiscal year 2012 enacted level and the same as the budget request. The Committee supports the need for increased resources for the CFTC above the fiscal year 2012 enacted level to satisfy its substantially broadened regulatory workload and to ensure appropriate oversight of the futures markets, which are growing steadily in volume and new users, and rapidly evolving in their complexity and diversity.

The CFTC regulates a futures and options industry that grew from 250 million contracts in 2001 to more than 2.5 billion contracts in 2011—a change of over 900 percent. During that same decade, customer funds held in Futures Commission Merchants accounts increased from $56,700,000,000 to more than $203,710,000,000, and the value of these contracts is notionally estimated at $40,000,000,000,000. Moreover, under the Dodd-Frank Act mandates, the CFTC is tasked with regulating the swaps markets with an estimated notional value of approximately $300,000,000,000,000—roughly eight times the size of the regulated futures markets. To address this massive growth surge in workload expected with respect to previously unregulated swaps entities, while still maintaining strong vigilance over its core responsibilities that predated the statutory duties of Dodd-Frank, it is imperative that the staffing and organization of the CFTC adapt to keep pace. That cannot be undertaken without a significant increase in its operating budget that balances investments in human capital and technology.

As emphasized in the CFTC's 2011–2015 strategic plan, "effective oversight can only be accomplished if the regulator has access to all relevant activity in the markets." Promptly collecting, synthesizing, managing, and analyzing the vast volume of data and information is paramount in CFTC's surveillance work and real-time public reporting. Without question, enhanced cutting-edge technology is essential to CFTC's capacity to leverage financial and human resources to execute not only the CFTC's core mission, but for fulfilling the expanded responsibilities under Dodd-Frank reforms.

Detecting and deterring illegitimate market forces requires the CFTC's steady vigilance and swift response. The CFTC's annual performance report for fiscal year 2011 highlighted the uptick in the number of market manipulation and disruptive trading investigations which tend to be complex, resource-intensive, and longer in duration.

The CFTC is required to review all swaps to determine whether the swap is exempt from the mandatory clearance requirement; require real-time reporting for all swaps; adopt rules for imposing capital and margin requirements on all noncleared swaps; exercise dual regulatory authority, in conjunction with the SEC, over mixed swaps; promulgate rules defining the universe of swaps that can be executed on a swap execution facility; and exercise backstop enforcement authority if prudential regulators do not act after notification of a perceived violation.

The Committee is particularly concerned that, absent additional resources in fiscal 2013 at the level recommended by the Committee, the CFTC will continue to face extreme challenges in accomplishing all that it is expected to do, and at a technological disadvantage. Similar to what the agency encountered in fiscal year 2012, the CFTC may have no choice but to redeploy its scarce resources internally in order to process the anticipated surge of registration applications and reviews of products in the swaps arena. The Committee is troubled that this shifting of staff would be done at the expense of conducting robust and systematic examination programs and sustained, visible, and public enforcement programs designed to deter fraud and ensure redress for consumers. The Committee believes the risk to the marketplace that such a sacrifice presents is an untenable proposition.

The Committee directs the CFTC to submit, within 30 days of enactment, a detailed spending plan for the allocation of the funds made available, displayed by discrete program, project, and activity, including staffing projections, specifying both FTEs and contractors, and planned investments in information technology.

The Committee underscores the crucial need for the CFTC to make mission-critical investments in technology to sort through the millions of pieces of information generated daily by markets. The CFTC's responsibilities to integrate both swaps and futures markets and perform required analysis and oversight requires a comprehensive overhaul of the current systems and a greater attention to automating surveillance and market risk analysis. The amount and detail of trade data collected and analyzed by the CFTC is expanding with its new authority over swaps markets and can only be managed by completely automating the collection and analysis of market data.

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.

The Committee stresses that with the enactment of Public Law 111–203, it is all the more critical for the CFTC, in collaboration with the SEC, to 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.

The Committee understands that petitions are pending before the CFTC and the SEC to allow portfolio margining of index credit default swaps and single name credit default swaps. The Committee is concerned that the CFTC and SEC have not acted on these petitions, nor reached agreement on portfolio margining in general. The Committee encourages the agencies to work collaboratively and promptly address the pending petitions.

Consumer Product Safety Commission

SALARIES AND EXPENSES

Appropriations, 2012	$114,500,000
Budget estimate, 2013	122,425,000
Committee recommendation	122,425,000

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 authorities 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 $122,425,000 for the Consumer Product Safety Commission, which is $7,925,000 above the fiscal year 2012 funding level and the same as the budget request.

The Committee continues to remain pleased with the Consumer Product Safety Information Database as authorized by CPSIA, which aids consumers in more quickly detecting hazardous or potentially hazardous or unsafe products. SaferProducts.gov has posted more than 8,200 searchable reports, many of which include incidents of injury and even death.

The Committee remains concerned that small, round, coin-shaped batteries, known as "button cell batteries" are increasingly present in consumer products, and pose a hazard—potentially fatal—to small children who ingest them. As many as 3,471 button battery ingestion cases were reported to U.S. poison centers in 2011, for a total of 63,555 cases since 1985. The number of ingestions that result in serious injury or death has increased almost sevenfold since 1985 due to the higher voltage of newer batteries. Hundreds of children have been injured, 34 were severely injured, and 5 have died from these ingestions in the last 2 years alone. If these batteries were securely enclosed in products (like the existing Federal safety rules that require toys that use batteries to have such compartments), with accompanying warning labels, this hazard could be greatly diminished. The Committee acknowledges efforts to promulgate a voluntary safety standard and urges that efforts be expedited to address this hazard.

CPSC has identified window coverings with cords as 1 of the top 5 hidden hazards in the home. CPSC is aware of 135 fatalities and 140 nonfatal incidents, most of which resulted in injuries related to corded window blinds since 1999. About once a month, a child between 8 months and 8 years old dies from window cord strangulation and another child suffers a near strangulation. In recent years, CPSC has recalled tens of millions of window coverings, including Roman shades, roller and roll-up blinds, vertical and horizontal blinds. A voluntary standard exists for window blinds but it has proven to be inadequate to eliminate or significantly reduce the strangulation risk posed by corded window coverings. For 18 years and presently on the sixth revision of a voluntary standard, the window coverings manufacturing industry has refused to agree to include language that would lead to any substantive reduction in the strangulation hazard. Accordingly, a provision has been included requiring CPSC to promulgate a rule that eliminates or significantly reduces the strangulation hazard caused by cords on window coverings.

For some time, consumers have been told that flame-retardant chemicals significantly mitigate the risk of accidental fires in furniture. Yet, a recent investigation has now called into question the effectiveness of flame retardant chemicals, while highlighting the health concerns associated with the heavy and widespread use of these chemicals in goods ranging from sofas to consumer electronics. CPSC is directed to report to the Committee no later than 90 days after enactment of this act on the status of the proposed rule setting flammability standards for residential upholstered furniture, including the steps necessary to complete the rulemaking.

ADMINISTRATIVE PROVISIONS—CONSUMER PRODUCT SAFETY COMMISSION

Section 501 makes technical corrections to the Virginia Graeme Baker Pool and Spa Safety Act.

Section 502 requires CPSC to promulgate a rule eliminating the strangulation hazard caused by cords on window coverings.

ELECTION ASSISTANCE COMMISSION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2012	$11,500,000
Budget estimate, 2013	11,500,000
Committee recommendation	11,500,000

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 $11,500,000 for EAC's administrative expenses, which is the same as both the fiscal year 2012 enacted level and the budget request. The Committee bill requires that $2,750,000 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.

FEDERAL COMMUNICATIONS COMMISSION

SALARIES AND EXPENSES

Appropriations, 2012	$339,844,000
Budget estimate, 2013	346,782,000
Committee recommendation	347,782,000

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 $347,782,000 for the salaries and expenses of the Federal Communications Commission [FCC], of which $347,782,000 is to be derived from the collection of fees. The recommendation is $7,938,000 above the fiscal year 2012 enacted level and $1,000,000 above the budget request.

The amount recommended above the budget request will provide adequate funding for the activities of the Office of Inspector General. The Committee directs the FCC to submit the independent budget of the FCC Inspector General to the President without alteration in fiscal year 2014 and each subsequent fiscal year.

The Committee also recommends that up to $99,000,000 be retained from spectrum auction activities to fund the administrative expenses of conducting such auctions. The recommendation is an increase of $14,000,000 to both the fiscal year 2012 enacted amount and the budget request due to the cost of the FCC's expanded responsibilities related to the implementation of incentive auctions provisions included in the Middle Class Tax Relief and Job Creation Act of 2012 (Public Law 112–96).

The Committee has included language (section 510) to extend FCC's exemption from the Anti-deficiency Act [ADA] until December 31, 2014.

The Committee has included language (section 511) that prohibits the FCC from enacting certain recommendations regarding universal service that were made 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 often need additional lines for a fax or for other business purposes.

Universal Service Reform.—The Committee supports the FCC's goal to modernize the Universal Service Fund to put America on a path to universal broadband by the end of the decade. The reform will have a significant impact on deployment of broadband in rural areas, where millions of Americans lack access. However, transforming the Universal Service program presents challenges to certain telecommunications providers transitioning to a new universal service system. To address this concern, the FCC has established a waiver process through which companies may be able to mitigate the impact of the reforms. The Committee encourages the FCC to implement the waiver process in a transparent, timely and equitable manner.

Cramming.—The Committee appreciates the FCC's new rules addressing "cramming", the practice of forcing unwanted, unsolicited, or fraudulent charges on consumers' phone bills. Cramming occurs when the legitimate practice of third-party billing is used for deceptive or fraudulent charges. The Committee is concerned, however, that the rules requiring phone companies to allow wireline customers to "opt-out" of third-party billing will not be sufficient to help customers avoid cramming. The Committee urges the FCC to consider implementing an "opt-in" requirement for third-party billing on wireline phone bills to best help consumers avoid unwanted or fraudulent charges. Recognizing that wireless billing often involves third-party vendors for legitimate purchases, such as music and applications, and that the use of wireless devices as a payment mechanism is evolving, the Committee also urges the FCC to seek a solution to address cramming on wireless bills.

Technical Resources.—The Committee is concerned with the lack of engineering expertise at the FCC, particularly given that the agency will continue to face more technically complex issues under its jurisdiction such as advanced wireless communications, cyber security, public safety interoperability, and broadband. In addition, FCC officials have acknowledged a shortage of network engineers and that a large number of experienced FCC engineers will be eligible to retire within the next few years. To address this emerging issue, the Committee urges the FCC to try to improve the level of its technical resources and staffing to be better equipped to address the dynamic and increasingly technical landscape of the telecommunications industry and the many issues under its jurisdiction. The Committee believes it is important for the FCC to properly address this lack of technical expertise as it re-evaluates and implements its Strategic Human Capital Plan. In addition, the Committee expects the Commission to update hiring practices as appropriate to attract qualified engineers and make improvements to internal initiatives such as the Engineer in Training and the Excellence in Engineering programs to better train and retain FCC technical staff.

Public Inspection File.—The Committee commends the FCC for requiring that broadcasters' public inspection files be made available online and in a searchable format. Such files contain important information regarding broadcasters' fulfillment of public interest obligations, including public comments, maps of broadcast areas, and information on political advertisements. The requirement will modernize disclosure requirements, inform the public on the use of the public's airtime, and increase the transparency of campaign advertising purchases.

Protecting Consumer Privacy Online.—The Committee notes the important role that the FCC plays in creating an environment that fosters technological innovation but also protects consumer privacy. More than 500,000 new jobs have been created from the Apps Economy over the last 3 years, for example, but there have also been widespread reports of sensitive, personally identifiable consumer information being compromised, sometimes intentionally, by major companies. The Committee directs the FCC to work with the FTC and issue guidance to consumers on best practices for protecting personal information transmitted over wireless networks, including through encryption and other practices. The Committee further directs the FCC to study the privacy policies governing the collection and use of personal information online by major communications companies and issue guidance on best practices for disclosing the terms and conditions of these policies in written agreements that are concise, user friendly, and easily understood.

FEDERAL DEPOSIT INSURANCE CORPORATION

OFFICE OF INSPECTOR GENERAL

Appropriations, 2012	$45,261,000
Budget estimate, 2013	34,568,000
Committee recommendation	34,568,000

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 $34,568,000 for the FDIC inspector general, the same as the budget request and $10,693,000 less than the fiscal year 2012 enacted level. Funds are to be derived from the Deposit Insurance Fund and the Federal Savings and Loan Insurance Corporation resolution fund.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

Appropriations, 2012	$66,367,000
Budget estimate, 2013	[1] 66,367,000
Committee recommendation	67,999,000

[1] Consistent with 2 U.S.C. 437d(d), the Federal Election Commission [FEC] provided to the Congress a copy of the budget request the FEC submitted to the President. That request for fiscal year 2013 totaled $67,999,000.

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 $67,999,000 for the Federal Election Commission, which is $1,632,000 more than both the President's budget request and the fiscal year 2012 enacted level. The recommendation is equal to the budget request the FEC submitted to the President. The FEC concurrently submitted a copy of such request to the Congress as authorized by 2 U.S.C. 437d(d).

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

Appropriations, 2012	$24,723,000
Budget estimate, 2013	24,792,000
Committee recommendation	25,200,000

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 $25,200,000 for the Federal Labor Relations Authority. This amount is $408,000 above the budget request and $477,000 above the fiscal year 2012 enacted level.

FEDERAL TRADE COMMISSION

SALARIES AND EXPENSES

Appropriations, 2012	$311,563,000
Budget estimate, 2013	300,000,000
Committee recommendation	300,000,000

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 enforces consumer protection laws involving advertising, marketing, and financial practices; fights consumer fraud; and addresses privacy and identity protection concerns.

COMMITTEE RECOMMENDATION

The Committee recommendation provides $300,000,000. The recommendation is $11,563,000 below the fiscal year 2012 enacted level and equal to the budget request.

Of the amounts provided, $15,000,000 is derived from Do-Not-Call fees and $115,000,000 is derived from Hart-Scott-Rodino per-merger filing fees. The total amount of direct appropriations for this account is therefore $170,000,000.

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 with the FTC's efforts to protect consumers by investigating fraud and misleading practices related to mortgage lending, identity theft, data security, and healthcare. In particular, the Committee appreciates the FTC's enforcement of the Mortgage Assistance Relief Services Rule, which protects struggling homeowners from mortgage relief scams, and the recent rule banning deceptive mortgage advertising practices. These rules strengthen consumer protection and prevent providers of mortgage relief services from misleading customers. The Committee also appreciates the FTC's efforts to combat identity theft, including steps to publicize a victim assistance guide for pro-bono attorneys, train local law enforcement to detect and prosecute identity theft, and update educational materials to address emerging issues such as medical identity theft and children's identity theft.

The Committee is also pleased that the FTC has worked 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 $1,700,000,000 in economic injury by stopping illegal practices in the marketplace. In 2010 alone, the FTC took action against mergers likely to harm competition in markets with a total of $22,500,000,000 in sales. The Committee directs the FTC to robustly continue such activities.

The Committee makes the following findings:

Do-Not-Call Initiative.—The recommendation includes funding 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 anticompetitive 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.

Payment Card Networks.—The Committee notes the important role that the FTC has been assigned in enforcing the provisions of section 1075 of the Dodd-Frank Wall Street Reform and Consumer Protection Act as they relate to payment card network companies. The FTC's enforcement role is critical to ensuring that payment card network companies do not take steps to undermine the small issuer exemption or the pro-consumer benefits contained in section 1075. The Committee reminds the FTC of the requirement to report to the Committee on steps that the FTC has taken over the previous year to ensure compliance by payment card network companies with section 1075 of Dodd-Frank and regulations promulgated thereunder. The Committee expects the report to explain whether the FTC has identified any evidence that payment card network companies have taken steps to diminish the ability of small banks and credit unions to successfully compete with large financial institutions in the debit card issuance market, and if any such steps have been taken by the card network companies in coordination or collusion with large financial institutions. The Committee looks forward to the completion and submission of this report within 1 year of enactment of the Consolidated Appropriations Act, 2012 (Public Law 112–7). The Committee also directs FTC to provide an updated report 1 year after the completion and submission of the initial report.

FTC Headquarters Building.—The Committee is concerned about the cost to implement proposed legislation to transfer the FTC's headquarters building to the National Gallery of Art [NGA]. The proposal would provide the NGA with additional space to expand its exhibitions, education, and administrative offices. The Committee is concerned that this transaction will result in taxpayers surrendering a valuable public asset without any compensation. The building would have significant value if sold on the market due to its prime location and good working condition; in fact, the FTC reports that the building was recently appraised at $92,000,000 to $95,000,000. The Committee is concerned that this transaction would be unprecedented; other NGA buildings were constructed with private funds, not paid for by taxpayers. Furthermore, while the NGA has indicated it would raise private funds to renovate the building, Federal spending would continue to be required for maintenance and repair of the building. The Congressional Budget Office [CBO] reports, "Since the original buildings were donated to the NGA, all renovations and repairs to those facilities have been completed with appropriated funds." For example, over the past several years, Congress has appropriated more than $80,000,000 for repairs to the marble façade of the NGA's East Building and for fiscal year 2013, the NGA has identified $45,000,000 in additional critical maintenance and repair needs for its East and West Buildings.

The Committee is concerned that such a proposal also would require the Federal Government to buy or lease replacement space for a new FTC headquarters, which would require additional Federal spending. The CBO reports that the most cost-effective approach to acquiring additional real estate for permanent Federal use is purchasing or constructing new buildings rather than entering into long-term leases. The CBO estimates that constructing a large enough facility to accommodate the entirety of the FTC would cost roughly $300,000,000. The Committee expects that a smaller space to accommodate only the current headquarters staff could cost the taxpayers a smaller but still significant amount of money. The Committee finds these costs difficult to contemplate, especially at a time when existing top priority projects have been deferred due to severely limited funds. The Committee is also concerned about the significant costs associated with this proposal. Among these costs are: (1) the significantly greater cost of commercially leased space for the FTC should a new space not be built for its use; (2) the cost of moving the FTC, which is estimated at $70,000,000 to $95,000,000 and would recur every 10 to 15 years if the FTC is moved into commercially leased space; and (3) the ongoing Federal costs associated with the NGA's occupancy of the FTC headquarters building. Further, moving the FTC into existing Federal space (leased or owned) would require the Federal Government to find space for another Federal agency which could also impose significant additional costs on the Federal Government.

Given the Committee's concerns, section 623 of the bill precludes the conveyance of the FTC headquarters building unless the Federal Government receives fair market value for the property. The Committee also directs the FTC and the General Services Administration to keep the Committee fully and regularly apprised of the cost of proposals related to the headquarters building.

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 Governmentwide Policy, and the Office of Citizen Services.

COMMITTEE RECOMMENDATION

Outraged over excessive spending and misuse of taxpayer funds, the Committee held a hearing in April on the findings of the Inspector General with regard to the 2010 Western Regions Conference. Immediate steps were taken to address the spectacular lack of judgment by some senior officials and now under new leadership at GSA, changes have been made to ensure that these errors do not recur. These include, but are not limited to: an immediate tightening of employee travel and conferences; a new chain of command for finance officers in GSA Regions, who now report directly to headquarters instead of to a Regional Administrator; a consolidation of conference management into a new office of Administrative Services to be responsible for contracting, approving, and reviewing spending for conferences; and a top-to-bottom review of the agency's operations for possible further reforms.

Battery Purchases.—The Committee is concerned that Federal agencies are not adequately considering service life when contracting for large quantities of batteries. Disregarding battery life prevents the Government from determining which product offers the best value to the taxpayer. For example, purchasing a slightly more expensive product with a significantly longer service life may provide a better value to the taxpayer.

The Committee directs GSA to submit a report not later than 90 days after enactment on the costs and benefits of: (1) collecting industry standard test results for service life from venders selling batteries through GSA; and (2) sharing this data with Federal agencies seeking technical assistance to prepare a contract for the purchase of batteries. If benefits exceed costs, the Committee expects GSA to implement such a policy.

Use of Stairs.—Senate Report 112–79 discussed the increasing incidence of obesity and the significant health benefits that lifestyle activities, such as choosing stairs over elevators, can have in addressing obesity. The Committee continues to believe 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. While the Committee believes that GSA has made some progress since the first effort to promote the use of stairs was initiated in the fiscal year 2006 appropriation bill, further effort is needed.

The Committee directs that GSA begin to undertake the following actions at future GSA-owned and leased buildings: (1) display signage next to all banks of elevators or on elevator doors, at the entrance to all nonemergency use public stairwells, and at the base of escalators, indicating the location of and encouraging use of the stairs; and (2) utilize new building designs that promote the use of stairs. In order to ascertain precisely how much progress has been made and how much remains, GSA is directed to provide a report 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 within 120 days of enactment.

Global Supply Transformation Initiative.—The Federal Acquisition Service's [FAS] Supply Operations division provides services and products to Federal agencies. According to its fiscal year 2013 budget request for FAS, in fiscal year 2012 and fiscal year 2013, GSA seeks to strengthen its partnerships with the Department of Defense, maximize customer service, reduce delivery times, and modernize its supply chain. To implement these goals, GSA has initiated the Supply Transformation Initiative, which would transfer the sale of many products previously sold at GSA-operated distribution facilities to private companies. This would lead to downsizing the workforce at GSA facilities, even at facilities where leases have recently been extended. The Committee is generally supportive of GSA's goal to improve its supply chain process and product distribution services; however, the details and implications of this initiative remain unclear, and the Committee is concerned that the consequences to jobs, small businesses, taxpayers, and Federal agencies have not been adequately examined.

Therefore, before launching a full-scale overhaul with the Supply Transformation Initiative, GSA is directed to issue a report to Congress that fully explains the proposed plan and includes—at a minimum—the following: (1) Annual projected savings; (2) Impact to

Federal and non-Federal employees; (3) Impact to small businesses that contract with GSA supply operations facilities, including Small and Disadvantaged Businesses and Service Disabled Veteran Owned Small Businesses; (4) Impact to local economies that house GSA supply operations facilities; and (5) Long-term plans for each GSA facility in the supply operations structure.

In addition, the report shall provide new alternatives to the current Supply Transformation Initiative that have not been previously included in other studies. These new alternatives should seek to minimize job loss and negative impacts to businesses that contract with GSA while achieving efficiencies to the Federal Government and improved service for customer Federal agencies.

The Committee recognizes that the Supply Transformation Initiative has already begun and will be conducted in phases. Therefore, GSA should not enter into new phases of the initiative that would result in the closure of any supply operations facilities or reductions in the number of Federal or non-Federal employees at supply operations facilities until the report is completed.

FEDERAL BUILDINGS FUND—LIMITATIONS ON AVAILABILITY OF REVENUE

Limitation on availability of revenue:	
Limitation on availability, 2012	$8,017,967,000
Limitation on availability, budget estimate, 2013	8,619,098,000
Committee recommendation	8,639,098,000

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

Construction and Acquisition of Facilities.—This activity provides for 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.—This activity provides for repairs and alterations of existing buildings as well as associated design and construction services. 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. Repairs to prevent deterioration and damage to buildings, their support systems, and operating equipment are given priority.

Installment Acquisition Payments.—This activity provides for payments for liabilities incurred under purchase contract authority and lease purchase arrangements. GSA makes periodic payments to cover principal, interest, and other requirements on the debt incurred for construction of Federal buildings.

Rental of Space.—This activity provides for the leasing of privately-owned buildings. Including space occupied by Federal agencies in U.S. Postal Service facilities, GSA provided 193 million square feet of rental space in fiscal year 2011. GSA expects to provide 201 million square feet of rental space in fiscal year 2012 and 199 million in fiscal year 2013.

Building Operations.—This activity provides services 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 Reimbursable Programs.—When requested by other 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 charges.

CONSTRUCTION AND ACQUISITION

Limitation on availability, 2012	$50,000,000
Limitation on availability, budget estimate, 2013	56,000,000
Committee recommendation	56,000,000

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 $56,000,000 for construction and acquisition of facilities in fiscal year 2013.

REPAIRS AND ALTERATIONS

Limitation on availability, 2012	$280,000,000
Limitation on availability, budget estimate, 2013	494,768,000
Committee recommendation	514,768,000

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 $514,768,000 for repairs and alterations in fiscal year 2013.

INSTALLMENT ACQUISITION PAYMENTS

Limitation on availability, 2012	$126,801,000
Limitation on availability, budget estimate, 2013	119,589,000
Committee recommendation	119,589,000

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 $119,589,000 for installment acquisition payments consistent with the budget request.

RENTAL OF SPACE

Limitation on availability, 2012	$5,210,198,000
Limitation on availability, budget estimate, 2013	5,548,583,000
Committee recommendation	5,548,583,000

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 $5,548,583,000 for rental of space. The Committee recommendation is $338,385,000 above the fiscal year 2012 enacted level and the same as the budget request.

BUILDING OPERATIONS

Limitation on availability, 2012	$2,350,968,000
Limitation on availability, budget estimate, 2013	2,400,158,000
Committee recommendation	2,400,158,000

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 EOP, such as the east and west wings of the White House.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of $2,400,158,000 for building operations. This amount is $49,190,000 above the fiscal year 2012 enacted level and the same as the budget request.

GOVERNMENTWIDE POLICY

Appropriations, 2012	$61,115,000
Budget estimate, 2013	84,182,000
Committee recommendation	78,182,000

PROGRAM DESCRIPTION

The Office of Governmentwide Policy [OGP], working cooperatively with other agencies, provides the leadership needed to develop and evaluate policies associated with high-performance green buildings and real property, acquisition policy, personal property, travel and transportation management, vehicles and aircraft, committee and regulations management, and management of Federal spending data. OGP collaborates with partner agencies and other stakeholders to improve public access to policy information and support data, and improve transparency in Government.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $78,182,000 for Governmentwide Policy. This amount is $17,067,000 above the fiscal year 2012 enacted level and $6,000,000 below the budget request.

OPERATING EXPENSES

Appropriations, 2012	$69,500,000
Budget estimate, 2013	67,388,000
Committee recommendation	67,000,000

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 Public Buildings Service; the activities of the Civilian Board of Contract Appeals; and the Management and Administration activities, including support of

Governmentwide emergency response and recovery activities, and top-level agency-wide management, administration, and communications activities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $67,000,000 for Operating Expenses. This amount is $2,500,000 below the fiscal year 2012 enacted level and $388,000 below the budget request.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2012	$58,000,000
Budget estimate, 2013	58,960,000
Committee recommendation	58,960,000

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], which create conditions for existing or potential instances of fraud, waste, and mismanagement. The 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 $58,960,000 for the Office of Inspector General. This amount is $960,000 above the fiscal year 2012 enacted level and the same as the budget request.

ELECTRONIC GOVERNMENT [E-GOV] FUND

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2012	$12,400,000
Budget estimate, 2013	16,665,000
Committee recommendation	16,665,000

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 $16,665,000 for the Electronic Government Fund. This amount is $4,265,000 above the fiscal year 2012 enacted level and the same as the budget request.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

Appropriations, 2012	$3,671,000
Budget estimate, 2013	3,779,000
Committee recommendation	3,779,000

PROGRAM DESCRIPTION

This appropriation provides pensions, office staffs, and related expenses for former Presidents Jimmy Carter, George H.W. Bush, William J. Clinton, and George W. Bush, and for the postal franking privileges for the widow of former President Ronald Reagan.

COMMITTEE RECOMMENDATION

The Committee recommends $3,779,000 for allowances and office staff for former Presidents, $108,000 above the fiscal year 2012 funding level and the same as the budget request.

Below is listed a detailed analysis of the Committee's recommendation for fiscal year 2013 funding:

FISCAL YEAR 2013 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	96		384
Personnel benefits	2	64	109	102		277
Benefits for former Presidents (pensions)	200	200	212	208		820
Travel	2	56	5	60		123
Rental Payments to GSA	106	174	442	392		1,114
Communications:						
Telephone	10	17	7	85		119
Postage	15	13	14	20	7	69
Printing	5	14	18	26		63
Other services	70	167	80	241		558
Supplies	5	15	2	40		62
Equipment	7	63	34	86		190
Fiscal year 2013 request	518	879	1,019	1,356	7	3,779

PRESIDENTIAL TRANSITION EXPENSES

Appropriations, 2012	
Budget estimate, 2013	$8,947,000
Committee recommendation	8,947,000

PROGRAM DESCRIPTION

The appropriation provides for an orderly transfer of Executive power, in accordance with the Presidential Transition Act of 1963, as amended. Funds are also authorized to finance the costs of briefings and training for personnel associated with a potential incoming administration.

COMMITTEE RECOMMENDATION

The Committee recommends $8,947,000 for presidential transition expenses, an amount equal to the budget estimate, of which $1,000,000 is for briefing personnel associated with the incoming administration. No funding was requested or provided in fiscal year 2012.

FEDERAL CITIZEN SERVICES FUND

Appropriations, 2012	$34,100,000
Budget estimate, 2013	31,751,000
Committee recommendation	31,751,000

PROGRAM DESCRIPTION

The Federal Citizen Services Fund provides for the salaries and expenses of the Office of Citizen Services and Innovative Technologies [OCSIT]. OCSIT develops new ways for citizens, businesses, other governments, and the media to easily obtain information and services from the Government on the Web, via email, in print, and over the telephone. OCSIT leads several interagency groups to share best practices and develop strategies for improving the way Government provides services to the American public.

OCSIT provides information and services to the public primarily through USA.gov and GobiernoUSA.gov, the official Web portal of the U.S. Government. OCSIT also operates pueblo.gsa.gov, consumeraction.gov and consumidor.gov, webcontent.gov, and kids.gov Web sites. OCSIT provides direct telephone (1–800–FED–INFO), email 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 Services program. OCSIT also coordinates the publication and distribution of information through the Government Printing Office's Public Documents Distribution Center in Pueblo, Colorado.

The Federal Citizen Services [FCS] Fund is financed from annual appropriations to pay for the salaries and expenses of OCSIT staff. Reimbursements from Federal agencies pay for the direct costs of information services OCSIT 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 $31,751,000 for the Federal Citizen Services Fund, a decrease of $2,349,000 below the fiscal year 2012 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

(INCLUDING TRANSFERS OF FUNDS)

Section 520 authorizes GSA to use funds for the hire of passenger motor vehicles.

Section 521 authorizes GSA to transfer funds within the Federal buildings fund to meet program requirements.

Section 522 requires that the fiscal year 2014 budget request meet certain standards.

Section 523 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 524 continues the provision that permits GSA to pay small claims less than $250,000 made against the Government.

Section 525 provides that certain lease agreements must conform to an approved prospectus.

HARRY S TRUMAN SCHOLARSHIP FOUNDATION

SALARIES AND EXPENSES

Appropriations, 2012	$748,000
Budget estimate, 2013	....
Committee recommendation	748,000

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 $30,000,000 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 2011, despite having cut expenditures by 42 percent, annual trust fund revenue has declined 51 percent. The Foundation anticipates a budget deficit of $1,700,000 without the requested appropriation.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $748,000 for the Harry S Truman Scholarship Foundation. This amount is the same as the fiscal year 2012 enacted level and $748,000 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, 2012	$42,603,000
Budget estimate, 2013	[1] 40,993,000
Committee recommendation	43,400,000

[1] Consistent with 5 U.S.C. 1204(k), the Merit Systems Protection Board submitted an independent budget estimate to the Congress. The independent request for fiscal year 2013 totaled $43,400,000.

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 $43,400,000 for the Merit Systems Protection Board [MSPB], an increase of $797,000 to the fiscal year 2012 enacted level. The recommendation is equal to the MSPB's independent budget request as authorized by 5 U.S.C. 1204(k) and is an increase of $2,407,000 to the President's budget request. The Committee makes available not more than $2,345,000 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

Appropriations, 2012	$2,200,000
Budget estimate, 2013	2,200,000
Committee recommendation	2,200,000

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 $2,200,000 for the Morris K. Udall and Stewart L. Udall Trust Fund. This amount is equal to both the fiscal year 2012 enacted level and the budget request.

ENVIRONMENTAL DISPUTE RESOLUTION FUND

Appropriations, 2012	$3,792,000
Budget estimate, 2013	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, nonpartisan 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 an increase of $8,000 to the fiscal year 2012 enacted level and is equal to 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. In addition, NARA is charged with additional responsibilities including mediating Freedom of Information Act disputes and coordinating controlled unclassified information.

OPERATING EXPENSES

Appropriations, 2012	$373,300,000
Budget estimate, 2013	371,675,000
Committee recommendation	371,675,000

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 $371,675,000 for operating expenses of the National Archives and Records Administration for fiscal year 2013. This amount is $1,625,000 below the fiscal year 2012 enacted level and the same as the budget request.

The Committee's recommendation supports initiatives to strengthen NARA's record management leadership role; address archival storage needs; continue to develop, build, and expand the IT infrastructure to conduct the business of the National Declassification Center established in Executive Order 13526; operate and maintain the Electronic Records Archive [ERA]; and improve research room holdings protection.

The Committee notes that security of NARA's collections and holdings has been identified as a material weakness by the Archivist and cited as a management challenge by the Inspector General. The Committee directs and expects NARA to institute and enforce effective inventory controls and adequate levels of security within its facilities to reduce the risk of loss, damage, or destruction of irreplaceable historic documents and artifacts.

As the steward of an astronomical volume of temporary and permanent agency records, the Committee strongly urges the Archivist to continue to explore bar-coding and other innovative alternatives for cataloging boxed materials entrusted to NARA's care, institute enhanced quality controls, regain accountability for the security of classified records in its custody, and institute more stringent management controls at the Washington National Records Center and any other facilities in which NARA is the custodian of Federal records.

The Committee commends NARA's leadership in administering the executive branch-wide Records Management Self-Assessment. Based on the findings outlined in the assessments report issued in April 2012, the Committee is disturbed that most Federal agencies lack controls for their records management programs, with records management staff exhibiting insufficient knowledge and understanding of electronic records, and continuing poor recordkeeping practices. Moreover, nearly one-quarter of respondent agencies do not conduct records management training for their senior officials.

Given that records disposition, training, compliance monitoring, and electronic records management pose a challenge for agencies, the Committee looks forward to NARA's work to develop and issue a Records Management Directive required by the November 2011 Presidential Memorandum on Managing Government Records.

The Committee believes that providing reliable access to electronic records far into the future, regardless of advancements in technology, is of utmost importance. The Committee strongly urges NARA, as it operates and maintains the ERA, to ensure effective and efficient preservation, appraisal, scheduling, and routine transfer of electronic records by Federal agencies. The Committee expects NARA to prioritize its efforts to accelerate user adoption of the ERA system, including providing instructional guidance and training materials.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2012	$4,100,000
Budget estimate, 2013	4,100,000
Committee recommendation	4,100,000

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 45 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 $4,100,000 for the Office of Inspector General [OIG]. This amount is the same as the fiscal year 2012 enacted level and 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.

REPAIRS AND RESTORATION

Appropriations, 2012	$9,100,000
Budget estimate, 2013	8,000,000
Committee recommendation	8,000,000

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 $8,000,000 for the repairs and restoration account. This amount is $1,100,000 below the fiscal year 2012 enacted level and the same as the budget request.

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 2013 budget submission and urges NARA to include an appropriate level of funding for repair of valuable historic Presidential libraries in the fiscal year 2014 budget request.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

GRANTS PROGRAM

Appropriations, 2012	$5,000,000
Budget estimate, 2013	3,000,000
Committee recommendation	5,000,000

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. Since 1964, the NHPRC has funded nearly 5,000 projects at local government archives, colleges and universities, and other nonprofit institutions to facilitate use of public records and other collections by scholars, family and local historians, journalists, documentary filmmakers, and many others.

COMMITTEE RECOMMENDATION

The Committee recommends $5,000,000 for the National Historical Publications and Records Commission [NHPRC]. This amount is the same as the fiscal year 2012 enacted level and $2,000,000 above the budget request.

The Committee supports the central role the NHPRC program plays in the preservation and dissemination of the Nation's documentary heritage and its success 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. The Committee also recommends the budget request of limiting administrative expenses for the CLF to $1,250,000 in fiscal year 2013.

COMMUNITY DEVELOPMENT REVOLVING LOAN FUND

Appropriations, 2012	$1,247,000
Budget estimate, 2013	1,187,000
Committee recommendation	1,187,000

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 $1,187,000 for technical assistance grants to community development credit unions. This funding level is equal to the budget request and $60,000 below the fiscal year 2012 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, 2012	$13,664,000
Budget estimate, 2013	13,473,000
Committee recommendation	20,164,000

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). The 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. The 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 28,000 public and over 325,000 confidential filers; providing direct education and training products to 5,700 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 $20,164,000 for salaries and expenses of the OGE in fiscal year 2013. This amount is $6,500,000 above the fiscal year 2012 enacted level and $6,691,000 above the budget request.

The Committee's recommendation supports OGE's mission-critical work to foster high-ethical standards for executive branch employees, prevent conflicts of interest, and strengthen the public's confidence that the Government's business is conducted with impartiality and integrity. The OGE has designated four priorities to advance these objectives in fiscal year 2013: ensuring that the influx of new Presidential appointees following the 2012 election are free of financial conflicts of interest; modernizing government ethics laws, regulations, and programs; harnessing technology to promote transparency, training, and oversight; and promoting continuity and succession planning in the executive branch ethics program.

In addition to the base funding, the Committee provides an additional $6,500,000, to remain available until expended, to help the OGE comply with its new statutory mandates under the recently enacted Stop Trading on Congressional Knowledge [STOCK] Act of 2012 (Public Law 112–105). The STOCK Act established new requirements for executive branch ethics programs, ethics officials, and the hundreds of thousands of Federal employees who currently file either public or confidential financial disclosure reports pursuant to the Ethics in Government Act.

Implementation of the STOCK Act imposes pivotal additional responsibilities on the OGE, most notably the mandate to develop a centralized, publicly accessible, searchable, and sortable electronic database of financial disclosure reports. In addition to designing, developing, and deploying this system before September 30, 2013, the OGE will face recurring costs annually for operating the system as well as expenses for routine maintenance. OGE's resource needs for the STOCK Act database were not addressed in the fiscal year 2013 budget submission due to the timing of law's enactment. The Committee directs OGE officials to keep the Committee regularly informed about developments and progress related to its STOCK Act implementation activities.

Office of Personnel Management

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

Appropriations, 2012	$97,774,000
Budget estimate, 2013	90,541,000
Committee recommendation	90,541,000

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 Governmentwide 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 $90,541,000 for the salaries and expenses of the Office of Personnel Management. This amount is $7,233,000 less than the fiscal year 2012 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 Processing.—The Committee is aware of OPM's actions to address the backlog of retirement claims and is supportive of expediting those efforts. OPM is directed to inform the Committee of developments to improve processing rates.

Retirement Modernization.—The Committee directs OPM to continue providing reports and status update briefings, as developments and milestones occur, and future plans are determined.

LIMITATION

(TRANSFER OF TRUST FUNDS)

Limitation, 2012	$112,516,000
Budget estimate, 2013	114,708,000
Committee recommendation	114,708,000

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 $114,708,000, which is $2,192,000 more than the fiscal year 2012 level and the same as the budget request.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

Appropriations, 2012	$3,142,000
Budget estimate, 2013	4,232,000
Committee recommendation	4,232,000

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 $4,232,000 for salaries and expenses of the Office of Inspector General in fiscal year 2013. This amount is $1,090,000 more than the fiscal year 2012 enacted level and the same as the budget request.

(LIMITATION ON TRANSFER FROM TRUST FUNDS)

Limitation, 2012	$21,174,000
Budget estimate, 2013	21,172,000
Committee recommendation	21,172,000

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on transfers from the trust funds in support of the Office of Inspector General activities totaling $21,172,000 for fiscal year 2013. This amount is $2,000 less than the fiscal year 2012 enacted level, and the same as the budget request.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

Appropriations, 2012	$10,862,000,000
Budget estimate, 2013	10,818,000,000
Committee recommendation	10,818,000,000

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 $10,818,000,000 for Government payments for annuitants, employees health benefits.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE

Appropriations, 2012	$52,000,000
Budget estimate, 2013	51,000,000
Committee recommendation	51,000,000

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 contribution associated with annuitants' postretirement life insurance coverage.

COMMITTEE RECOMMENDATION

The Committee recommends a mandatory appropriation of $51,000,000 for the Government payment for annuitants, employee life insurance.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Appropriations, 2012	$9,979,000,000
Budget estimate, 2013	9,780,000,000
Committee recommendation	9,780,000,000

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 $9,780,000,000 for payment to the civil service retirement and disability fund.

Office of Special Counsel

SALARIES AND EXPENSES

Appropriations, 2012	$18,972,000
Budget estimate, 2013	18,692,000
Committee recommendation	18,972,000

PROGRAM DESCRIPTION

The U.S. Office of Special Counsel [OSC] provides a safe channel for Federal employees to report waste, fraud, abuse, and threats to public health and safety.

The 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.

The OSC continues to experience significant increases in its caseload. In fiscal year 2011, the new case intake volume surpassed 4,000 for the first time, representing an increase over record levels of cases presented to the agency in the previous fiscal year. Areas of significant growth included prohibited personnel practice complaints as well as USERRA cases, which nearly doubled in volume with the launch of a new 3-year demonstration project to help further protect veteran's employment rights as authorized under the Veterans' Benefits Act of 2010 (Public Law 111–275). Hatch Act cases and whistleblower disclosure matters continued at elevated levels in fiscal year 2011.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $18,972,000 for the OSC. This amount is the same as the fiscal year 2012 enacted level and $280,000 above the budget request.

The Committee acknowledges that the OSC continues to experience dramatic growth in its caseload, as a result of heightened awareness of the Hatch Act, a more vigorous focus on complaints under USERRA, and actions under the Whistleblower Protection Act. The Committee commends the OSC's efforts to prevent heightened backlogs despite the escalating caseload in fiscal year 2011. The Committee appreciates that processing cases is resource-intensive, and that the 28-percent increase in caseload growth that the OSC experienced over the previous 3 years is not expected to abate going forward, necessitating sustained funding.

Postal Regulatory Commission

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2012	$14,304,000
Budget estimate, 2013	14,450,000
Committee recommendation	14,450,000

PROGRAM DESCRIPTION

The Postal Regulatory Commission [PRC] 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 3 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 mission of the PRC is to ensure transparency and accountability of the United States Postal Service and foster a vital and efficient universal mail system.

The Postal Accountability and Enhancement Act (Public Law 109–435) assigned significant responsibilities to the PRC. 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 PRC 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 $146,000 above the fiscal year 2012 enacted level and the same as the budget request. The funds will support 75 FTEs and enable the PRC to meet its mission of ensuring transparency and accountability in postal operations, services, and finances.

The Committee notes that in fiscal year 2013, the PRC will be engaged in issuing advisory opinions and hearing cases of major national policy import as the Postal Service adjusts to changing mail usage; reviewing efforts of the Postal Service to restructure its network; overseeing the exercise of pricing flexibility; and fully evaluating the merits of new ideas for innovative products and services that could boost postal revenue, provide greater efficiencies, and produce cost savings. With the Postal Service's announced intent to close or consolidate potentially hundreds of mail processing facilities and a significant number of postal retail facilities, the Committee understands that the number of appeals to the PRC and the volume of documents per docket as a result of these actions can be expected to grow exponentially over the next few years.

The Committee appreciates the vital statutory role the PRC plays in the Universal Postal Union, a specialized agency of the United Nations, to support the Secretary of State in foreign policy related to international postal services, including treaties and conventions. The Committee urges the PRC, which is funded from the Postal Service Fund which is derived directly from postal rates and fees paid by postal customers, to continue to optimize efficient use of its resources, including exercising prudent decisionmaking for its necessary travel expenditures.

PRIVACY AND CIVIL LIBERTIES OVERSIGHT BOARD

SALARIES AND EXPENSES

Appropriations, 2012	$900,000
Budget estimate, 2013	1,000,000
Committee recommendation	1,000,000

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 dual 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 $1,000,000 for the PCLOB. This amount is $100,000 above the fiscal year 2012 enacted level and the same as the budget request.

The Committee strongly supports the mission of the PCLOB. The Committee notes that the original 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 dismayed that now, over 4 years later, the new PCLOB has not yet been reconstituted and staffed as required by Public Law 110–53. The Committee is encouraged that nominees to serve as members of the PCLOB are being considered in the Senate and directs the PCLOB, once it is reconstituted, to promptly provide a detailed budget justification to the Committee.

RECOVERY ACCOUNTABILITY AND TRANSPARENCY BOARD

SALARIES AND EXPENSES

Appropriations, 2012	$28,350,000
Budget estimate, 2013	31,500,000
Committee recommendation	31,500,000

PROGRAM DESCRIPTION

The Recovery Accountability and Transparency Board (Recovery Board) was established by the American Recovery and Reinvestment Act of 2009 (Recovery Act) to ensure accountability and transparency in the expenditure of Recovery Act funds and to minimize fraud, waste, and mismanagement. The Recovery Board analyzes Recovery Act projects for further in-depth investigation or referral to Federal Inspectors General and operates a fraud hotline to allow individuals to report possible fraud, waste, and abuse. The Recovery Board also collects information from recipients of Recovery Act funds, compiles the information in a user-friendly format, and posts the information on its public Web site, Recovery.gov.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of $31,500,000 for the Recovery Board. The recommendation is $3,150,000 above the fiscal year 2012 enacted level because the Recovery Board was operating in part using prior year balances during that year. The recommendation is equal to the budget request.

SECURITIES AND EXCHANGE COMMISSION

SALARIES AND EXPENSES

Appropriations, 2012	$1,321,000,000
Budget estimate, 2013	1,566,000,000
Committee recommendation	1,566,000,000

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.

As the investor's advocate, the SEC has responsibility for approximately 35,000 entities, including direct oversight of about 11,700 investment advisers, 9,700 mutual funds and exchange traded funds, and close to 4,500 broker-dealers with more than 160,000 branch offices. It is also responsible for reviewing the disclosures and financial statements of more than 9,100 reporting companies, overseeing approximately 450 transfer agents, 15 national securities exchanges, eight active clearing agencies, and nine nationally recognized statistical rating organizations, as well as the Public Company Accounting Oversight Board, the Financial Industry Regulatory Authority, the Municipal Securities Rulemaking Board, and the Securities Investor Protection Corporation. As a result of recent statutory changes, smaller investment advisers will transition from SEC to State oversight during 2012, but with the corresponding addition of advisers to private funds, the SEC will still oversee approximately 10,000 investment advisers with about $44,000,000,000,000 in assets under management. The SEC also acquired new oversight responsibilities with respect to municipal advisors and entities registering with the SEC in connection with the security-based swap regulatory regime.

The enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) (Public Law 111–203) added significantly to SEC's responsibilities, including bringing transparency and accountability to the over-the-counter derivatives market; registering and overseeing hedge fund and private equity advisers; enhanced supervision of nationally recognized statistical rating organizations and clearing agencies; heightened regulation of asset-backed securities; and creation of a new whistleblower program.

With the enactment of the Jumpstart Our Business Startups [JOBS] Act (Public Law 112–106) on April 5, 2012, the SEC is tasked with additional new responsibilities to undertake various initiatives, including rulemaking and studies touching on capital formation, disclosure and registration requirements, and implementing rules and methods relating to a new exemption that will allow crowdfunding.

COMMITTEE RECOMMENDATION

The Committee recommends a total budget (obligational) authority of $1,566,000,000 for the salaries and expenses of the SEC, to be fully derived from $1,566,000,000 in new fee collections. This total funding level is $145,000,000 above the fiscal year 2012 enacted level and the same as the budget request.

Enactment of the Dodd-Frank Act altered the budgetary treatment of SEC fee receipts. For fiscal year 2012 and beyond, transaction fees receipts are to be treated as offsetting collections equal to the amount of the appropriation. In addition, the law established a "SEC Reserve Fund" designated for necessary functions as determined by the SEC and drawn from registration fee receipts. The Committee reminds the SEC of its obligation to notify Congress of the date, amount, and purpose of any obligation from the Fund within 10 days of such obligation.

Spending Plan.—The Committee directs the SEC to submit, within 30 days of enactment, a detailed spending plan for the allocation of appropriated funds displayed by discrete program, project, and activity, including staffing projections, specifying both FTEs and contractors, and planned investments in information technology.

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

In addition, the recommended increase supports 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 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.

Regulatory Reform Efforts.—While recognizing the many challenges facing the SEC, the Committee is deeply concerned with the SEC's lack of progress on the timely implementation of key provisions of the Dodd-Frank Act. The Committee strongly urges the SEC to act expeditiously to adopt strong and effective regulatory proposals to reform the financial system, consistent with Congress's intent in enacting the Dodd-Frank Act.

Use of Independent Leasing Authority.—The Committee understands that the SEC is pursuing corrective measures to address the serious problems identified in the October 3, 2011, GAO Decision B–322160 relating to the agency's exercise of its independent leasing authority and adherence to budgetary obligation recording practices for multiyear contracts over the last 20 years. The Committee directs that, as part of the spending plan to be submitted to the Committee no later than 30 days following enactment of this act, the SEC shall include a detailed remedial action plan and timetable, reviewed before its submission by the Inspector General, describing how the SEC intends to rectify the Antideficiency Act violation and what procedures it has instituted to ensure compliance with the recording statute (31 U.S.C. 1501(a)(1)).

Regulatory Harmonization.—The Committee stresses that with the enactment of the Dodd-Frank Act, it is all the more critical for the SEC, in collaboration with the CFTC, to 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.

Portfolio Margining.—The Committee understands that petitions are pending before the SEC and the CFTC to allow portfolio margining of index credit default swaps and single name credit default swaps. The Committee is concerned that the SEC and the CFTC have not acted on these petitions, nor reached agreement on portfolio margining in general. The Committee encourages the agencies to work collaboratively and promptly address the pending petitions.

Disclosure to Investors.—The Committee remains concerned that American investors may be unwittingly investing in companies or organizations 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. Investors and consumers also have a reasonable right to know what activities their investments or purchases may be directly or indirectly supporting.

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 Act, public companies are 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 2013 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.

Similarly, the human rights and sexual violence problems plaguing mineral rich Democratic Republic of Congo are long standing and well known. Industries using key minerals from this region have been aware of the problem and a number have already taken laudable steps to ensure their sourcing of minerals avoids fueling further violence. The Committee expects the clear congressional intent of section 1502 of the Dodd-Frank Act to be implemented in a timely manner.

Climate Change Disclosure.—The Committee appreciates the SEC's timely submission of the staff report as specified in Public Law 112–74 on the quality of public company reporting in response to the Commission's February 2010 guidance related to climate change (75 Fed. Reg. 6290). The Committee directs the SEC to submit to the Committee, no later than 90 days following enactment of this act, an updated staff report focused on the quality, specificity, and thoroughness of disclosure, with particular attention to the adequacy of disclosure by large companies in key sectors. The SEC is directed to include in the report a full description of its own initiatives to carry out the guidance, their efficacy, and the efforts it will implement in fiscal year 2013. The Committee notes that, in addition to reviewing disclosure in registrants' SEC filings, the guidance specified that the SEC's Investor Advisory Committee would consider climate change disclosure and provide advice to the SEC and that the SEC would convene a public roundtable on climate change disclosure. The Committee strongly urges that the newly re-established Investor Advisory Committee evaluate climate change disclosure, and that, during fiscal year 2013, the SEC convene the roundtable as contemplated in the 2010 guidance.

JOBS Act Studies.—The Committee directs the SEC to study and submit a report to the Committee, no later than 2 years following enactment of this Act, on the impact of the JOBS Act on capital formation, including but not limited to: (1) the amount of capital raised under the new offering methods in the JOBS Act; (2) the number of issuances and amount raised between registered and unregistered offerings; (3) the number of placement agents and brokers facilitating the new offering methods; (4) the number of Federal, State, other actions taken against issuers with respect to the new offering venues; and (5) the costs associated with raising capital under the new rules in comparison to the prior rules.

The Committee is concerned about press reports of shell companies attempting to qualify as emerging growth companies in order to evade securities laws to which they would otherwise be subject, and directs the SEC to closely monitor the situation.

The Committee directs the SEC to study and submit a report to the Committee, no later than 1 year following enactment of this act, on whether and how the definition of the term "held of record" in section 12(g)(5) of the Securities Exchange Act of 1934 (15 U.S.C. 781(g)(5)) should be revised.

The Committee directs the SEC to study and submit a report to the Committee no later than 2 years following enactment of this act on whether there should be restrictions on the forms of communication used in connection with general solicitation and general advertising in Rule 506 offerings under Regulation D.

Financial Literacy and Education.—Access to financial education, resources, services, and protections promotes better informed decisionmaking about investing and saving for long-term financial security. The Committee applauds the Office of Investor Education and Advocacy [OEIA] for its attention to and consideration of the views and interests of retail investors including improvements available electronically through Investor.gov activities. The Committee encourages the OEIA to continue its efforts, including financial literacy and education initiatives, to protect and advance the interests of retail investors. The Committee commends SEC's efforts to expand its research on various aspects of investment decisionmaking behavior to help enrich investor education programs and materials.

Selective Service System

SALARIES AND EXPENSES

Appropriations, 2012	$23,984,000
Budget estimate, 2013	24,400,000
Committee recommendation	24,400,000

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) to develop plans for a postmobilization 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 $24,400,000 for the Selective Service System. This amount is $416,000 above the fiscal year 2012 enacted level and the same as the budget request.

The Committee commends the efforts of the Selective Service System during fiscal year 2011 to complete the comprehensive migration from an obsolete computer mainframe to a smaller, more responsive platform. The Committee is pleased to acknowledge that during fiscal year 2011 the Selective Service System reduced a 137-day backlog of public correspondence to a more manageable 5-day turnaround, even as its registration verification responsibilities increased. In addition, the Selective Service System achieved recognition as the most improved small agency in the Federal Government in the annual Best Places to Work survey conducted by the Partnership for Public Service.

SMALL BUSINESS ADMINISTRATION

Appropriations, 2012	$918,771,000
Budget estimate, 2013	1,115,381,000
Committee recommendation	1,123,709,000

The Committee recommendation provides $1,123,709,000 for the Small Business Administration [SBA]. The recommendation is $204,938,000 above the fiscal year 2012 enacted level and $8,328,000 above the budget request. The recommendation includes $167,000,000 for the Disaster Loans Program Account designated by Congress as disaster relief pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. Funding is distributed among the SBA appropriation accounts as described below.

SALARIES AND EXPENSES

Appropriations, 2012	$417,348,000
Budget estimate, 2013	423,577,000
Committee recommendation	445,499,000

The Committee recommendation provides $445,499,000 for salaries and expenses of the SBA. The recommendation is $28,151,000 above the fiscal year 2012 enacted level and is $21,922,000 above the budget request.

Non-Credit Business Assistance Programs

Within the amounts made available under this heading, the Committee recommendation provides $179,740,000 for the SBA noncredit business assistance programs. The recommendation is $20,627,000 above the budget request and $7,392,000 above the 2012 enacted level.

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

NON-CREDIT BUSINESS ASSISTANCE PROGRAMS

[In thousands of dollars]

	Fiscal year 2012 enacted	Fiscal year 2013 budget estimate	Committee recommendation
Small Business Development Centers	112,500	101,093	114,750
SCORE	7,000	6,300	7,140
Women's Business Centers	14,000	12,600	14,000
Women's Business Council	998	898	1,000
Microloan Technical Assistance	20,000	19,760	24,000
Veterans Programs	2,500	2,496	2,500
PRIME	3,500	....	....
Native American Outreach	1,250	850	1,250
7(j) Technical Assistance	3,100	2,790	3,100
HUBZone	2,500	1,976	2,000
Entrepreneurial Development Initiative	5,000	3,350	5,000
Veterans Entrepreneurship Training	....	7,000	5,000
Total, Non-Credit Business Assistance Programs	172,348	159,113	179,740

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 $114,750,000 for fiscal year 2013, $2,250,000 above the fiscal year 2012 enacted level and $13,657,000 above the budget request. 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.

The Committee recommends $24,000,000 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 estimated lending volume of $25,000,000 under the Microloan program.

The Committee supports funding for veterans programs and veterans business outreach centers and provides $2,500,000 for veterans programs. When determining the allocation of the funding, the Committee strongly encourages SBA to consider centers with significant experience in conducting outreach to veterans.

The Committee recommends $5,000,000 for SBA's entrepreneurial development initiative. The Committee encourages SBA to support nonprofit organizations that provide business development services designed to accelerate industry sectors built on regional assets under the initiative.

Operating Expenses

Within the amounts made available under this heading, the Committee recommendation provides $265,759,000 for SBA's operating expenses. The recommendation is $20,759,000 above the 2012 enacted level and $1,295,000 above the budget request.

Credit Risk Management.—The Committee recommends $12,000,000 for SBA's Office of Credit Risk Management [OCRM]. In support of its mission to analyze and manage the risk of SBA's estimated $75,000,000,000 loan portfolio, OCRM performs performance analytics to identify and understand lender performance trends and assess the quality of the overall loan portfolio. The Committee finds that OCRM plays a key role in eliminating waste, fraud, and abuse in SBA lending programs and protecting taxpayer losses on loans by ensuring lenders comply with procedures that mitigate the risk of loss under SBA's loan programs.

The Committee is concerned about the quality of lender oversight activities at SBA, particularly considering the magnitude of SBA's loan portfolio, and notes that SBA's Office of Inspector General [IG] continues to identify weaknesses in SBA's lender oversight process. SBA loan programs rely on numerous outside parties (e.g., private lenders, local economic development organizations, nonprofit community lenders, and venture capital investors) to complete loan transactions, and many of SBA's loans are made by lenders to whom SBA has delegated loan-making authority. For example, the SBA IG reports that in fiscal year 2011, approximately 67 percent of the dollars guaranteed under SBA's 7(a) program were made by lenders using delegated authorities. The Committee concurs with the SBA IG's finding that the risks inherent in delegated lending require an effective oversight program to: (1) monitor lender compliance with SBA policies and procedures; and (2) take corrective action when a material noncompliance is detected.

The Committee finds that credit risk management should be a key tenet of SBA's efforts to administer efficient and effective loan programs to ensure the best use of taxpayer dollars. The Committee directs SBA to report to the Committee within 90 days of enactment on the status of SBA's current credit risk management capabilities and how those capabilities can be strengthened. The report shall also include an analysis of the advantages and disadvantages of changing SBA's organizational structure so that OCRM is independent from SBA's Office of Capital Access and the director of OCRM reports directly to the SBA Administrator.

Finally, the Committee finds that the Loan and Lender Monitoring System [L/LMS] is a vital component of the SBA's technical capability to provide oversight of its largest lending programs, the 7(a) and 504 loan programs. OCRM uses L/LMS as a tool for managing the risk in the loan and lender portfolios. The Committee directs SBA to continue utilizing L/LMS to ensure that lenders are employing sound financial risk management techniques to manage and monitor risk within their SBA loan portfolios. The Committee directs SBA to maintain the current capabilities and capacity of the L/LMS system and encourages the agency to consider how updating or expanding the system could improve lender oversight capabilities.

Major Information Technology Acquisition.—Within the amounts recommended for SBA's operating expenses, the Committee recommends $7,100,000 to continue development activities related to the modernization of SBA's agency-wide loan management and accounting system. Additional funding will be contributed from amounts provided for the administrative expenses of the Disaster Loans Program Account because the modernization supports that program in addition to SBA's business loan programs. The Committee expects that appropriations provided for fiscal year 2013 will fulfill development funding required for the modernized system. Operation and maintenance costs for the new system will continue in future fiscal years, consistent with other information technology systems.

The Committee is pleased with SBA's decision to reformulate the original planned modernization to lower costs, shorten the time to completion, and reduce the risks associated with a long-term acquisition. The fiscal year 2013 budget request assumes that development costs under the new approach will total $39,000,000, a savings of $117,000,000 from the original budget of $156,000,000.

The Committee will continue to monitor progress on the modernization due to the risk inherent in major Federal information technology [IT] projects. The Government Accountability Office [GAO] finds that "Federal IT projects too frequently incur numerous cost overruns and schedule slippages while contributing little to mission-related outcome" (GAO 12–7). The Committee directs SBA to focus modernization activities on activities identified by GAO as common factors of successful Federal IT programs. In particular, the Committee directs SBA to ensure, consistent with GAO recommendations, that: (1) program officials actively engage with stakeholders; (2) senior agency executives support the program; (3) end users participate in testing of system functionality prior to formal end user acceptance testing; and (4) program officials maintain regular communication with contractors.

The Committee directs SBA to continue to report quarterly to the Committees on Appropriations summarizing the agency's progress regarding the modernization effort. The Committee directs that such reports shall include progress on time and budget, both estimated and planned, beginning with the first fiscal year of the modernization project. The Committee emphasizes the need for such reports to include plain language descriptions of the project in place of technical jargon.

Employee Ownership.—The Committee finds that employee ownership protects jobs, promotes economic growth, supports local economies, and is often a viable alternative for business owners considering succession. The Committee directs SBA to submit a report within 90 days of enactment on what SBA programs can do to promote employee ownership through training, education, and financing.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2012	$16,267,000
Budget estimate, 2013	19,400,000
Committee recommendation	19,400,000

The Committee recommendation provides $19,400,000 for the Office of Inspector General. The recommendation is $3,133,000 above the fiscal year 2012 enacted level and is equal to 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.

OFFICE OF ADVOCACY

Appropriations, 2012	$9,120,000
Budget estimate, 2013	8,900,000
Committee recommendation	9,150,000

The Office of Advocacy, an independent office within SBA, solicits and represents the views, concerns, and interests of small businesses before Congress, the White House, Federal agencies, Federal courts, and State policymakers.

The Committee recommendation provides $9,150,000 for the Office of Advocacy. The recommendation is $30,000 above the fiscal year 2012 enacted level and $250,000 above the budget request. The Committee directs that within funds provided, the Office of Advocacy shall conduct a study, pursuant to section 3 of Public Law 112–29, on how changes in patent law have impacted the ability of small businesses to obtain patents.

The Committee emphasizes the need for the Office of Advocacy to be inclusive and transparent in soliciting and incorporating the views of small businesses into the Office's process for making recommendations and comments on Federal policies, activities, rulemakings, and legislation.

The Committee directs the Office of Advocacy to submit a report to the Committee within 60 days of enactment detailing the process under which the Office solicits feedback from small businesses and ensures that the Office's recommendations and comments represent a balanced perspective on the views of affected small business stakeholders.

BUSINESS LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2012	$358,736,000
Budget estimate, 2013	496,504,000
Committee recommendation	482,660,000

The Committee recommendation provides $482,660,000. The recommendation is $123,924,000 above the fiscal year 2012 enacted level and is $13,844,000 below the budget request due to updated estimates of carryover balances.

The recommendation provides $145,060,000 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 to support lending volume estimated at $25,000,000. An additional amount of $24,000,000 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 Committees on Appropriations within 90 days of enactment summarizing the agency's plans for expanding the reach of the Microloan program.

The recommendation provides $333,600,000 to subsidize the 7(a) and 504 guaranteed loan programs. For a typical year, estimated fees collected from lenders and borrowers fully offset estimated Government payments on losses under the 7(a) and 504 loan programs. However, the budget requests additional funding for fiscal year 2013 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) and 504 loan programs in fiscal year 2013. The Committee expects both programs to return to typical operation when the economy recovers.

DISASTER LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2012	$117,300,000
Budget estimate, 2013	167,000,000
Committee recommendation	167,000,000

The Committee recommends $167,000,000 for the administrative costs of the Disaster Loans program, $49,700,000 above the fiscal year 2012 enacted level. The recommendation is equal to the budget request and is designated by Congress as disaster relief pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. SBA is urged to promptly notify the Committee of the status of disasters requiring loan assistance.

ADMINISTRATIVE PROVISIONS—SMALL BUSINESS ADMINISTRATION

(INCLUDING TRANSFER OF FUNDS)

Section 530 continues a provision concerning transfer authority and availability of funds.

Section 531 extends section 1122 of Public Law 111–240 for 1 year.

UNITED STATES POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

Appropriations, 2012	$78,153,000
Budget estimate, 2013	89,092,000
Committee recommendation	89,092,000

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. The Postal Service does not depend upon taxpayer subsidies through discretionary appropriations for its operations but generates nearly all of its more than $65,700,000,000 in annual gross operating revenue by charging users of the mail for the costs of postage, products, and services.

COMMITTEE RECOMMENDATION

The Committee recommends appropriations totaling $89,092,000 for payment to the Postal Service Fund, an increase of $10,939,000 above the fiscal year 2012 enacted level and the same as the budget request.

This amount constitutes an advance appropriation for fiscal year 2014 to compensate for revenue forgone on free mail for the blind and for overseas voters. The Postal Service will have $78,153,000 available for fiscal year 2013 pursuant to Public Law 112–74, division C.

The Committee includes provisions in the bill that would ensure 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 2013.

Fiscal Health.—The Committee remains concerned about the fragile fiscal health of the Postal Service. Decline in mail volume continues to have a staggering impact on the Postal Service, which released its most recent financial data on May 10, 2012. The Postal Service experienced net losses for the second quarter ending March 31, 2012, of $3,200,000,000, up $1,000,000,000 above the losses recorded in the same 3-month span in 2011. Overall, the Postal Service had income of $16,200,000,000 from January 2012 through March 2012, down a fraction from the same period in 2011. The number of items mailed during the second quarter of 2012 was 39,400,000,000 pieces, a 4-percent comparative decrease below 2011, much of it in first-class mail.

Mail Delivery.—Since fiscal year 1981, annual appropriations bills have each included language requiring 6-day per week postal 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. The Committee does not include a provision that would alter this requirement during fiscal year 2013.

Postal Retail Network.—The Committee acknowledges that on May 9, 2012, the Postal Service announced its intent to implement a strategy to balance the need for continued retail services while achieving cost savings that will not result in the wholesale shuttering of small and rural post offices. The Committee understands that this plan, which will mean reduced retail window hours in many communities, will undergo review by the Postal Regulatory Commission [PRC] before any changes are instituted, and that open community meetings will be scheduled for public input on various possible service options. The Committee appreciates the Postal Service's need to adjust its infrastructure, but emphasizes that it is imperative to evaluate the perspectives of affected postal customers in determining the most viable solution for any community impacted by the proposed changes. Furthermore, the Committee directs the Postal Service to not shorten the timetable for implementing retail postal service modifications as outlined in its announcement.

The Committee understands that the Postal Service has partnered with more than 70,000 alternate access locations such as supermarkets, drug stores, ATMs, and other retailers to sell postage and selected postal services. The online alternative at usps.com allows customers to conveniently access, around the clock, a diverse array of postal services, including tracking and confirmation, address changes, reservation and renewal of Post Office boxes, holding of mail, locating ZIP codes, obtaining shipping information, and purchasing and printing postage. The Committee strongly urges the Postal Service to continue to expand the co-location of postal services and other innovative approaches to serving communities, significantly grow its inventory of Automated Postal Centers for self-service access particularly in currently underserved areas, and widely disseminate information through national advertising promoting the benefits to postal customers of on-line and self-service options.

Consolidation of Mail Processing Facilities.—The Postal Service is developing and implementing a major realignment of its postal facilities to achieve greater efficiencies, reduce redundancies, and realize cost savings. To date, the Postal Service has announced that it is studying the feasibility of consolidating more than 200 of its over 400 mail processing facilities. Many questions remain unanswered about how consolidation of the processing and transportation networks will impact current nationwide delivery service standards for First-Class Mail, Periodicals, Package Services, and Standard Mail, as well as how the postal workforce, mailers, customers, and communities may be impacted by the realignment decisions.

The PRC is currently conducting a formal review to examine the Postal Service's request for an advisory opinion on the proposal to revise current service standards for First-Class Mail, Periodicals, Package Services, and Standard Mail. As proposed, the Postal Service would eliminate overnight service for First-Class Mail and Periodicals, and would instead provide 2- and 3-day delivery service. These service standard changes are contemplated in order to capture significant cost savings from the proposed consolidation of a significant portion of the mail processing and transportation networks. The Committee urges the Postal Service to await the publication of the advisory opinion before finalizing any decisions.

In addition to the consideration of the proposed changes to delivery standards by the PRC, the Government Accountability Office [GAO] has issued a series of reports evaluating the Postal Service's realignment strategy and tracking the Postal Service's response to recommendations. Congressional requests have been made to GAO to follow-up on the recommendations, determine what progress the Postal Service has made in response, and conduct additional study of anticipated loss in revenue from potential erosion of current delivery standards in light of a significant wave of closures of processing facilities. The Committee believes that these concerns should be addressed prior to continuation of the facilities closure proposal.

The Committee directs that the Postal Service shall not execute, before fiscal year 2014, any decisions pertaining to the closure or consolidation of any mail processing facility if the Postal Service (1) did not close or consolidate such mail processing facility before May 15, 2012; and (2) conducted an area mail processing study with respect to the postal facility after January 1, 2006, that was either terminated or concluded that no significant cost savings or efficiencies would result from closing or consolidating the mail processing facility, unless an audit by the Postal Service Inspector General concludes that the mail volume and operations of the facility have changed since the date of termination or completion of an area mail processing study to such an extent that the outcome of the previous study is no longer valid; and an area mail processing study concludes that the closing or consolidation of the mail processing facility is justified, taking into consideration the savings to the Postal Service and the impact of the closing or consolidation on postal customers.

This will allow the Postal Service time to make any necessary changes to respond to the PRC's advisory opinion and GAO's follow-up report on Strategy for Realigning Mail Processing Infrastructure, which is under development. The Postal Service shall keep the Committee regularly informed of its consolidation plans, and directs GAO to continue monitoring these efforts.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2012	$241,468,000
Budget estimate, 2013	241,468,000
Committee recommendation	241,468,000

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 2011, the OIG issued 303 audit reports, of which 68 indicated financial impact in the form of funds put to better use, questioned costs, or potential revenue of $77,997,000,000. The OIG completed 3,790 investigative cases, secured 1,367 arrests and indictments, and referred 2,114 administrative actions. The Inspector General's investigations of injury compensation fraud, financial fraud, and contract fraud produced a total of $170,644,323 in cost avoidance during fiscal year 2011. Cumulative fines, restitution, and recoveries totaled $728,658,328. There were 111,507 hotline contacts.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation, out of the Postal Fund, of $241,468,000 for the United States Postal Service Office of Inspector General. This amount is the same as the fiscal year 2012 funding level and the budget request. The Committee appreciates the efforts of the Inspector General to perform its exemplary audit and investigative work under severe spending constraints.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

Appropriations, 2012	$51,079,000
Budget estimate, 2013	53,103,429
Committee recommendation	53,103,429

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. Tax Court judges are appointed to 15-year terms by the President with the advice and consent of the Senate. 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 $53,103,429 for the U.S. Tax Court. This amount is $2,024,429 above the fiscal year 2012 enacted level and the same as the budget request.

STATEMENT CONCERNING GENERAL PROVISIONS

The Financial Services and General Government appropriations 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 specifically covered by the bill.

The bill contains a number of general provisions that have been carried in this bill for many 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 as administrative provisions 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 Governmentwide 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 any 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 nonforeign area cost of living allowances.

Section 613 continues the provision waiving restrictions on the purchase of nondomestic 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 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 617 is a new provision that would prohibit the conveyance of the headquarters building of the Federal Trade Commission (located at 600 Pennsylvania Avenue, Northwest, in the District of Columbia) to any entity unless it is in the best interest of the taxpayer.

Section 618 continues the provision requiring certain agencies to provide quarterly reports on unobligated prior year fund balances.

Section 619 continues the provision requiring agencies covered by this act with independent leasing authority to consult with the General Services Administration before seeking new office space or making alterations to existing office space.

Section 620 continues the provision prohibiting expenditure of funds to any corporation with certain unpaid Federal tax liabilities unless the agency has considered suspension or debarment of the corporation and made a determination that further action is not necessary to protect the interests of the Government.

Section 621 continues the provision prohibiting the expenditure of funds to any corporation that was convicted of a felony criminal violation within the preceding 24 months unless the agency has considered suspension or debarment of the corporation and made a determination that further action is not necessary to protect the interests of the Government.

Section 622 is a new provision related to electronic filing of campaign finance reports by Senators and candidates seeking election to the Senate.

Section 623 is a new provision related to the Abraham Lincoln Commemorative Coin Act (Public Law 109–285).

Section 624 is a new provision that provides limitations on conference spending and requires agencies to make public reports of conferences exceeding $100,000.

TITLE VII

GENERAL PROVISIONS—GOVERNMENTWIDE

Departments, Agencies, and Corporations

(INCLUDING TRANSFERS OF FUNDS)

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 continues 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 amount that can be used for redecoration of offices under certain circumstances.

Section 711 continues the provision that permits interagency funding of national security and emergency preparedness telecommunications initiatives, which benefit multiple Federal departments, agencies, and entities.

Section 712 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 713 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 714 continues the provision prohibiting Federal training not directly related to the performance of official duties.

Section 715 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 716 continues the provision prohibiting the use of appropriated funds for publicity or propaganda designed to support or defeat legislation pending before Congress.

Section 717 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 718 continues the provision prohibiting the use of appropriated funds to provide nonpublic information such as mailing or telephone lists to any person or organization outside of the Government without approval of the Committees on Appropriations.

Section 719 continues the provision prohibiting the use of appropriated funds for publicity or propaganda purposes within the United States not authorized by Congress.

Section 720 continues the provision directing agencies' employees to use official time in an honest effort to perform official duties.

Section 721 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 722 continues a provision authorizing the transfer of funds to the General Services Administration to finance an appropriate share of various governmentwide boards and councils under certain conditions.

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 that the United States is committed to ensuring the health of the Olympic, Pan American and Paralympic athletes, and supports the strict adherence to antidoping in sport activities.

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 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 734 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 735 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 736 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 737 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 738 continues a provision prohibiting funds in this or any other act from being used for a Federal contract with inverted corporations, unless the contract preceded this act or the Secretary grants a waiver in the interest of national security.

Section 739 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 740 makes a technical modification to a provision enacted in fiscal year 2010 requiring agency compilation of inventories of service contracts.

Section 741 directs OMB to issue guidance relating to the ban on direct conversion to contract performance of work performed by Federal employees, absent public-private competition.

Section 742 continues a provision requiring agencies to remit to the Civil Service Retirement and Disability Fund an amount equal to the Office of Personnel Management's average unit cost of processing a retirement claim for the preceding fiscal year to be available to the Office of Personnel Management for the cost of processing retirements of employees who separate under Voluntary

Early Retirement Authority or who receive Voluntary Separation Incentive Payments.

Section 743 prohibits certain personnel management constraints.

Section 744 is a new provision limiting the pay increases of certain prevailing rate employees.

Section 745 is a new provision eliminating automatic statutory pay increases for the Vice President, political appointees paid under the executive schedule, ambassadors who are not career members of the Foreign Service, politically appointed (noncareer) Senior Executive Service employees, and any other senior political appointee paid at or above level IV of the executive schedule.

Section 746 is a new provision requiring Executive Branch reporting to Congress on Automated External Defibrillators.

Section 747 is a new provision regarding the formula for calculating the cap on the amount that the Federal Government reimburses Federal contractors for executive compensation.

Section 748 declares the inapplicability of these general provisions to title IV and title VIII.

TITLE VIII

GENERAL PROVISIONS—DISTRICT OF COLUMBIA

(INCLUDING TRANSFER OF FUNDS)

Section 801 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 802 continues the provision that prohibits the use of the appropriation for publicity or propaganda purposes, and permits the use of local funds for carrying out lobbying activity.

Section 803 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 804 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 805 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 806 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 807 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 808 continues the provision that includes a "conscience clause" on legislation that pertains to contraceptive coverage by health insurance plans.

Section 809 continues the provision prohibiting use of Federal funds to change the legality of marijuana use.

Section 810 restricts the use of Federal funds for abortion, with certain exceptions.

Section 811 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 812 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 813 continues, with modification, a provision authorizing the transfer of local funds to capital and enterprise funds.

Section 814 continues and makes permanent a 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 815 is a new provision granting the District of Columbia authority to spend local funds if the District's budget has not been approved by Congress at the start of a fiscal year.

Section 816 is a new provision allowing the expenditure of funds by the District of Columbia under certain contingency fee contracts for the provision of legal services.

Section 817 continues the provision which limits references to "this Act" as referring to only this title.

Section 818 is a new section permitting the District of Columbia to donate and the Joint Committee on the Library to accept a statue of Frederick Douglass for placement in the United States Capitol. All costs of the transportation and placement of the statue would be borne by the District of Columbia.

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."

The Committee is filing an original bill, which is not covered under this rule, but reports this information in the spirit of full disclosure.

Items providing funding for fiscal year 2013 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
Fiscal Service
Alcohol and Tobacco Tax and Trade Bureau
Community Development Financial Institutions Fund
Internal Revenue Service:
  Taxpayer Services
  Enforcement
  Operations Support
  Business Systems Modernization

Executive Office of the President

Office of Management and Budget
Office of National Drug Control Policy

District of Columbia

Federal Payment for the District of Columbia Water and Sewer Authority
Federal Payment for Judicial Commissions
Federal Payment for the D.C. National Guard

Independent Agencies

Administrative Conference of the United States
Election Assistance Commission
Federal Communications Commission
Federal Election Commission
Federal Trade Commission
General Services Administration:
  E-Government Fund

Federal Buildings Fund [1]

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 June 14, 2012, the Committee ordered favorably reported favorably an original bill (S. 3301) making appropriations for financial services and general government for the fiscal year ending September 30, 2013, subject to amendment and subject to its spending allocations, by a recorded vote of 16–14, a quorum being present. The vote was as follows:

Yeas	Nays
Chairman Inouye	Mr. Cochran
Mr. Leahy	Mr. McConnell
Mr. Harkin	Mr. Shelby
Ms. Mikulski	Mrs. Hutchison
Mr. Kohl	Mr. Alexander
Mrs. Murray	Ms. Collins
Mrs. Feinstein	Ms. Murkowski
Mr. Durbin	Mr. Graham
Mr. Johnson (SD)	Mr. Kirk
Ms. Landrieu	Mr. Coats
Mr. Reed	Mr. Blunt
Mr. Lautenberg	Mr. Moran
Mr. Nelson	Mr. Hoeven
Mr. Pryor	Mr. Johnson (WI)
Mr. Tester	
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, changes in existing law proposed to be made by the bill are shown as follows: existing law to be omitted

[1] Deposits into the Federal Buildings Fund are available for real property management and related activities in the amounts specified in annual appropriations laws, as provided by 40 U.S.C. 592.

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 2—THE CONGRESS

CHAPTER 14—FEDERAL ELECTION CAMPAIGNS

SUBCHAPTER I—DISCLOSURE OF FEDERAL CAMPAIGN FUNDS

§ 432. Organization of political committees

(a) Treasurer; vacancy; official authorizations

* * * * * * *

[(g) Filing with and receipt of designations, statements, and reports by Secretary of Senate; forwarding to Commission; filing requirements with Commission; public inspection and preservation of designations, etc.

[(1) Designations, statements, and reports required to be filed under this Act by a candidate for the office of Senator, by the principal campaign committee of such candidate, and by the Republican and Democratic Senatorial Campaign Committees shall be filed with the Secretary of the Senate, who shall receive such designations, statements, and reports, as custodian for the Commission.

[(2) The Secretary of the Senate shall forward a copy of any designation, statement, or report filed with the Secretary under this subsection to the Commission as soon as possible (but no later than 2 working days) after receiving such designation, statement, or report.

[(3) All designations, statements, and reports required to be filed under this Act, except designations, statements, and reports filed in accordance with paragraph (1), shall be filed with the Commission.

[(4) The Secretary of the Senate shall make the designations, statements, and reports received under this subsection available for public inspection and copying in the same manner as the Commission under section 438(a)(4) of this title, and shall preserve such designations, statements, and reports in the same manner as the Commission under section 438(a)(5) of this title.]

(g) FILING WITH THE COMMISSION.—All designations, statements, and reports required to be filed under this Act shall be filed with the Commission.

TITLE 10—ARMED FORCES

CHAPTER 137—PROCUREMENT GENERALLY

§ 2324. Allowable costs under defense contracts

(a) INDIRECT COST THAT VIOLATES A FAR COST PRINCIPLE.— * * *

* * * * * * *

(e) SPECIFIC COSTS NOT ALLOWABLE.—(1) The following costs are not allowable under a covered contract:

(A) The head of an agency shall require that a covered contract provide that if the contractor submits to the agency a proposal for settlement of indirect costs incurred by the contractor for any period after such costs have been accrued and if that proposal includes the submission of a cost which is unallowable because the cost violates a cost principle in the Federal Acquisition Regulation or applicable agency supplement to the Federal Acquisition Regulation, the cost shall be disallowed.

* * * * * * *

(P) *(i)* Costs of compensation of any contractor *or subcontractor* employee for a fiscal year, regardless of the contract funding source, to the extent that such compensation exceeds ❲the benchmark compensation amount determined applicable for the fiscal year by the Administrator for Federal Procurement Policy under section 1127 of title 41❳ *the annual amount paid to the President of the United States in accordance with section 102 of title 3*, except that the Secretary of Defense may establish one or more narrowly targeted exceptions for scientists and engineers upon a determination that such exceptions are needed to ensure that the Department of Defense has continued access to needed skills and capabilities.

(ii) In this subparagraph:

(I) The term "compensation", in the case of an employee, includes the total amount of wages, salary, bonuses, and deferred compensation for the employee for a fiscal year, whether paid, earned, or otherwise accruing, as recorded in an employer's cost accounting records for the fiscal year.

"(II) The term "fiscal year" means a fiscal year a contractor or subcontractor establishes for accounting purposes.

TITLE 15—COMMERCE AND TRADE

§ 8004. State swimming pool safety grant program

(a) In general

* * * * * * *

(b) Eligibility

* * * * * * *

(1) * * *

(A) except as provided in section 8005(a)(1)(A)(i) of this title, applies to ❲all swimming pools constructed after the date that is 6 months after the date of enactment of the Financial Services and General Government Appropriations Act, 2012 in the State❳ *all swimming pools constructed in the State after the date the State first submits* *an application to the Commission for a grant under this section*; and

* * * * * * *

(e) Authorization of appropriations

【There are authorized to be appropriated to the Commission for each of fiscal years 2009 and 2010 $2,000,000 to carry out this section, such sums to remain available until expended.】 *There is authorized to be appropriated to the Commission such sums as may be necessary to carry out this section through fiscal year 2014.* Any amounts appropriated pursuant to this subsection that remain unexpended and unobligated at the end of 【fiscal year 2012】 *fiscal year 2014* shall be retained by the Commission and credited to the appropriations account that funds enforcement of the Consumer Product Safety Act [15 U.S.C. 2051 et seq.].

§ 8005. Minimum State law requirements

(a) In general

(1) Safety standards

* * * * * * *

(A) the State requires by statute—

(i) the enclosure of all outdoor residential pools and spas by barriers to entry that will effectively prevent small children from gaining unsupervised and unfettered access to the pool or spa; *and*

【(ii) that all pools and spas be equipped with devices and systems designed to prevent entrapment by pool or spa drains;】

【(iii)】 *(ii) that pools and spas built more than 1 year after the date of the enactment of such statute have—*

(I) more than 1 drain;

(II) 1 or more unblockable drains; or

(III) no main drain; *and*

【(iv) 1 every swimming pool and spa that has a main drain, other than an unblockable drain, be equipped with a drain cover that meets the consumer product safety standard established by section 8003 of this title; and

【(v) that periodic notification is provided to owners of residential swimming pools or spas about compliance with the entrapment protection standards of the ASME/ANSI A112.19.8 performance standard, or any successor standard; and】

【(2) No liability inference associated with State notification requirement

【The minimum State law notification requirement under paragraph (1)(A)(v) shall not be construed to imply any liability on the part of a State related to that requirement.】

【(3)】 *(2)* Use of minimum State law requirements

The Commission—

(A) shall use the minimum State law requirements under paragraph (1) solely for the purpose of determining the eligibility of a State for a grant under section 8004 of this title; and

(B) may not enforce any requirement under paragraph (1) except for the purpose of determining the eligibility of a State for agrant under section 8004 of this title.

[(4)] ***(3)*** **Requirements to reflect national performance standards and Commission guidelines**

In establishing minimum State law requirements under [paragraph (1)] *paragraph (1)(B)*, the Commission shall—

TITLE 28—JUDICIARY AND JUDICIAL PROCEDURE

CHAPTER 5—DISTRICT COURTS

§ 133. Appointment and number of district judges

(a) * * *

Districts	Judges
Alabama:	
* * * * * * *	
[Arizona	12]
Arizona	*15*
* * * * * * *	
[California:	
[Northern	14
[Eastern	6
[Central	27
[Southern	13]
California:	
Northern	*14*
Eastern	*10*
Central	*28*
Southern	*13*
* * * * * * *	
[Minnesota	7]
Minnesota	*8*
[Texas:	
[Northern	12
[Southern	20
[Eastern	7
[Western	15]
* * * * * * *	
Texas:	
Northern	*12*
Southern	*20*
Eastern	*7*
Western	*15*

* * * * * * *

CHAPTER 123—FEES AND COSTS

§ 1914. District court; filing and miscellaneous fees; rules of court

(a) The clerk of each district court shall require the parties instituting any civil action, suit or proceeding in such court, whether byoriginal process, removal or otherwise, to pay a filing fee of

【$350】 *$360*, except that on application for a writ of habeas corpus the filing fee shall be $5.

TITLE 31—MONEY AND FINANCE

CHAPTER 13—APPROPRIATIONS

SUBCHAPTER II—TRUST FUNDS AND REFUNDS

§ 1324. Refund of internal revenue collections

(a) * * *

* * * * * * *

(b) Disbursements may be made from the appropriation made by this section only for—

(1) refunds to the limit of liability of an individual tax account; and

(2) refunds due from credit provisions of the Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.) enacted before January 1, 1978, or enacted by the Taxpayer Relief Act of 1997, or from section 25A, 35, 36, 36A, 36B, 36C, 168(k)(4)(F), 53(e), 54B(h), 6428, or 6431, of such Code, or due under section 3081(b)(2) of the Housing Assistance Tax Act of 2008.

(c) Amounts appropriated under subsection (a) of this section shall be administered, as appropriate, as if they were made available through separate appropriations to the Secretary of the Treasury, the Secretary of Homeland Security, and the Attorney General. Funds so appropriated shall be available to the Secretary of the Treasury for refunds by the Internal Revenue Service of taxes collected pursuant to the Internal Revenue Code and related interest; separately to the Secretary of the Treasury for refunds and drawbacks of alcohol, tobacco, firearms and ammunition taxes and refunds of other taxes which may arise and any interest on such refunds, including payment of claims for prior fiscal years; to the Secretary of Homeland Security for refunds and drawbacks of receipts collected pursuant to the customs revenue functions administered by the Department of Homeland Security pursuant to delegation by the Secretary of the Treasury and any interest on such refunds, including payment of claims for prior fiscal years; and to the Attorney General for refunds of firearms taxes and refunds of other taxes which may arise and any interest on such refunds, including payment of claims for prior fiscal years.

* * * * * * *

CHAPTER 37—CLAIMS

SUBCHAPTER III—FINANCIAL MANAGEMENT

§ 3711. Collection and compromise

(a) * * *

* * * * * * *

(i)(1) The head of an executive, judicial, or legislative agency may sell, subject to section 504(b) of the Federal Credit Reform Act of

1990 and using competitive procedures, any nontax debt owed to the United States that is delinquent for more than 90 days. Appropriate fees charged by a contractor to assist in the conduct of a sale under this subsection may be payable from the proceeds of the sale.

* * * * * * *

(5) This subsection is not intended to limit existingstatutory authority of agencies to sellloans, debts, or other assets.

(j)(1) The Secretary of the Treasury (referred to in this subsection as the "Secretary") may locate and recover assets of the United States Government on behalf of any executive, judicial, or legislative agency in accordance with such procedures as the Secretary considers appropriate.

(2) Notwithstanding any other law concerning the depositing and collection of Federal payments, including section 3302(b) of this title, the Secretary may retain a portion of the amounts recovered pursuant to this subsection to cover the Secretary's costs associated with locating and recovering assets of the United States. The amounts retained shall be deposited into an account established in the Treasury to be known as the "Unclaimed Assets Recovery Account" (referred to in this paragraph as the "Account"). Amounts deposited in the Account shall be available until expended to cover costs associated with implementation and operation of the Secretary's asset recovery program established under this subsection.

(3) To carry out the purposes of this subsection, the Secretary may:

(A) Transfer to the Account from funds appropriated to the Department of Treasury such amounts as may be necessary to meet liabilities and obligations incurred prior to the receipt of recovered assets; and

(B) Reimburse any appropriation from which funds were transferred under this paragraph from the amounts retained from recovered assets. Any reimbursement under this paragraph shall occur during the period of availability of the funds originally transferred from an appropriation and shall be available for the same time period and purposes as originally appropriated.

TITLE 41—PUBLIC CONTRACTS

DIVISION B—OFFICE OF FEDERAL PROCUREMENT POLICY

CHAPTER 11—ESTABLISHMENT OF OFFICE AND AUTHORITY AND FUNCTIONS OF ADMINISTRATOR

[§ 1127. Determining benchmark compensation amount

[(a) DEFINITIONS.—In this section:

[(1) BENCHMARK COMPENSATION AMOUNT.—The term "benchmark compensation amount", for a fiscal year, is the median amount of the compensation provided for all senior executives of all benchmark corporations for the most recent year for which data is available at the time the determination under subsection (b) is made.

⟦(2) BENCHMARK CORPORATION.—The term "benchmark corporation", with respect to a fiscal year, means a publicly-owned United States corporation that has annual sales in excess of $50,000,000 for the fiscal year.

⟦(3) COMPENSATION.—The term "compensation", for a fiscal year, means the total amount of wages, salary, bonuses, and deferred compensation for the fiscal year, whether paid, earned, or otherwise accruing, as recorded in an employer's cost accounting records for the fiscal year.

⟦(4) FISCAL YEAR.—The term "fiscal year" means a fiscal year a contractor establishes for accounting purposes.

⟦(5) PUBLICLY-OWNED UNITED STATES CORPORATION.—The term "publicly-owned United States corporation" means a corporation—

⟦(A) organized under the laws of a State of the United States, the District of Columbia, Puerto Rico, or a possession of the United States; and

⟦(B) whose voting stock is publicly traded.

⟦(6) SENIOR EXECUTIVES.—The term "senior executives", with respect to a contractor, means the 5 most highly compensated employees in management positions at each home office and each segment of the contractor.

⟦(b) DETERMINING BENCHMARK COMPENSATION AMOUNT.—For purposes of section 4304(a)(16) of this title and section 2324(e)(1)(P) of title 10, the Administrator shall review commercially available surveys of executive compensation and, on the basis of the results of the review, determine a benchmark compensation amount to apply for each fiscal year. In making determinations under this subsection, the Administrator shall consult with the Director of the Defense Contract Audit Agency and other officials of executive agencies as the Administrator considers appropriate.

⟦HISTORICAL AND REVISION NOTES

⟦*Revised Section*	⟦*Source (U.S. Code)*	⟦*Source (Statutes at Large)*
⟦1127(a)(1)	41:435(b).	Pub. L. 93–400, § 39, as added Pub. L. 105–85, title VIII, § 808(c)(1), Nov. 18, 1997, 111 Stat. 1837; Pub. L. 105–261, title VIII, § 804(c)(1), Oct. 17, 1998, 112 Stat. 2083.⟧
⟦1127(a)(2)	41:435(c)(3).	
⟦1127(a)(3)	41:435(c)(1).	
⟦1127(a)(4)	41:435(c)(5).	
⟦1127(a)(5)	41:435(c)(4).	
⟦1127(a)(6)	41:435(c)(2).	
⟦1127(b)⟧	41:435(a).⟧	

* * * * * * *

CHAPTER 43—ALLOWABLE COSTS

§ 4304. Specific costs not allowable

(a) SPECIFIC COSTS.— * * *

(1) * * *

* * * * * * *

⟦(16) Costs of compensation of senior executives of contractors for a fiscal year, regardless of the contract funding source, to the extent that the compensation exceeds the benchmark compensation amount determined applicable for the fiscal year by the Administrator under section 1127 of this title.⟧

(16) Costs of compensation of any contractor or subcontractor employee for a fiscal year, regardless of the contract funding source, to the extent that such compensation exceeds the annual amount paid to the President of the United States in accordance with section 102 of title 3, except that the head of an executive agency may establish one or more narrowly targeted exceptions for scientists, engineers, and other specialist positions upon a determination that such exceptions are needed to ensure that the executive agency has continued access to needed skills and capabilities.

JUDICIAL IMPROVEMENTS ACT, 1990, PUBLIC LAW 101–650

TITLE II—FEDERAL JUDGESHIPS

SEC. 203. DISTRICT JUDGES FOR THE DISTRICT COURTS.

(a) * * *

* * * * * * *

(c) TEMPORARY JUDGESHIPS.—The President shall appoint, by and with the advice and consent of the Senate—

* * * * * * *

Except with respect to the district of Kansas, the western district of Michigan, the eastern district of Pennsylvania, the district of Hawaii, and the northern district of Ohio, the first vacancy in the office of district judge in each of the judicial districts named in this subsection, occurring 10 years *and six months* or more after the confirmation date of the judge named to fill the temporary judgeship created by this subsection, shall not be filled. The first vacancy in the office of district judge in the district of Kansas occurring ⟦21 years⟧ *22 years and six months* or more after the confirmation date of the judge named to fill the temporary judgeship created for such district under this subsection, shall not be filled. The first vacancy in the office of district judge in the western district of Michigan, occurring after December 1, 1995, shall not be filled. The first vacancy in the office of district judge in the eastern district of Pennsylvania, occurring 5 years or more after the confirmation date of the judge named to fill the temporary judgeship created for such district under this subsection, shall not be filled. The first vacancy in the office of district judge in the northern district of Ohio occurring 19 years or more after the confirmation date of the judge named to fill the temporary judgeship created under this subsection shall not be filled. The first vacancy in the office of the district judge in the district of Hawaii occurring ⟦18 years⟧ *19* *years and six months* or more after the confirmation date of the judge named to fill the temporary judgeship created under this subsection shall not be filled. For districts named in this subsection for which multiple judgeships are created by this Act, the last of those judgeships filled shall be the judgeships created under this section.

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, 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 [14 years] *16 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.

21ST CENTURY DEPARTMENT OF JUSTICE APPROPRIATIONS AUTHORIZATION ACT, PUBLIC LAW 107–273

TITLE III—MISCELLANEOUS

SEC. 312. ADDITIONAL FEDERAL JUDGESHIPS.

(a) PERMANENT DISTRICT JUDGES FOR THE DISTRICT COURTS.—

* * * * * * *

(c) TEMPORARY JUDGESHIPS.—

(1) IN GENERAL.— * * *

(2) VACANCIES NOT FILLED.—The first vacancy in the office of district judge in each of the offices of district judge authorized by this subsection, occurring 10 years *and six months* or more after the confirmation date of the judge named to fill the temporary district judgeship created in the applicable district by this subsection, shall not be filled.

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.—During the period beginning on the date of enactment of this Act and ending on ⟦December 31, 2013⟧ *December 31, 2014*, section 1341 and subchapter II of chapter 15 of title 31, United States Code, do not apply—

* * * * * * *

(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, 2013⟧ *December 31, 2014*, to an expenditure or obligation described in subsection (a)(2) made or authorized during the period described in subsection (a).

ABRAHAM LINCOLN COMMEMORATIVE COIN ACT, PUBLIC LAW 109–285

SEC. 7. SURCHARGES.

(a) IN GENERAL.— * * *

(b) DISTRIBUTION.—⟦Subject to section 5134(f)(1), title 31, United States Code, all surcharges⟧ *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⟧ *Foundation* to further the work of the ⟦Commission⟧ *Foundation. Payment of surcharges under this Act shall be subject to subsection (f)(1) of section 5134 of title 31, United States Code, except that, for purposes of this Act—*

(1) subparagraph (A)(ii) of that subsection (f)(1) shall be read as follows:

"(ii) the designated recipient organization submits an audited financial statement that demonstrates, to the satisfaction of the Secretary, that, with respect to all projects or purposes for which the proceeds of such surcharge may be used, the organization has raised funds from private sources for such projects and purposes."

(2) subparagraph (B) of that subsection (f)(1) shall be read by striking "2-year period" in the matter preceding clause (i) and inserting "3-year and 9 month period."

(c) AUDITS.—The Abraham Lincoln Bicentennial ⟦Commission⟧ *Foundation* shall be subject to the audit requirements of section 5134(f)(2) of title 31, United States Code.

CONSOLIDATED APPROPRIATIONS ACT, 2010, PUBLIC LAW 111–117

SEC. 743. (a) SERVICE CONTRACT INVENTORY REQUIREMENT.—

* * * * * * *

(e) REVIEW AND PLANNING REQUIREMENTS.— * * *

(1) * * *

(2) ensure that—

(A) * * *

(B) [the agency is giving special management attention to functions that are closely associated with inherently governmental functions;] *to the maximum extent practicable, the agency is not using contractor employees to perform any functions closely associated with inherently governmental functions;*

SMALL BUSINESS JOBS ACT, 2010, PUBLIC LAW 111–240

TITLE I—SMALL BUSINESSES

Subtitle A—Small Business Access to Credit

PART II—SMALL BUSINESS ACCESS TO CAPITAL

SEC. 1122. LOW-INTEREST REFINANCING UNDER THE LOCAL DEVELOPMENT BUSINESS LOAN PROGRAM.

(a) REFINANCING.— * * *

(b) PROSPECTIVE REPEAL.—Effective [2 years] *3 years* after the date of enactment of this Act, section 502(7) of the Small Business Investment Act of 1958 (15 U.S.C. 696(7)) is amended by striking subparagraph (C).

DISTRICT OF COLUMBIA HOME RULE ACT

TITLE IV—THE DISTRICT CHARTER

PART D—DISTRICT BUDGET AND FINANCIAL MANAGEMENT

Subpart 1—Budget and Financial Management

ENACTMENT OF APPROPRIATIONS BY CONGRESS

SEC. 446. [D.C. Official Code § 1–204.46] The Council, within 56 calendar days after receipt of the budget proposal from the Mayor, and after public hearing, shall by act adopt the annual budget for the District of Columbia government. Any supplements thereto shall also be adopted by act by the Council after public hearing. Such budget so adopted shall be submitted by the Mayor to the President for transmission by him to the Congress. Except as provided in section 445A(b), section 467(d), section 471(c), section 472(d)(2), section 475(e)(2), section 483(d), and section 490(f), (g), (h)(3), and (i)(3), [D.C. Official Code §§ 1–204.45a(b), § 1–204.67(d), § 1–204.71(c), § 1–204.72(d)(2), § 1–204.75(e)(2), § 1–204.83(d), and subsections (f), (g), (h)(3), and (i)(3) of §§ 1–204.90] no amount may be obligated or expended by any officer or employee of the District of Columbia government unless such amount has been approved by Act of Congress, and then only according to such Act*: Provided, That, notwithstanding any other provision of this Act, effective for fiscal year 2013, and for each succeeding fiscal year, during a period in which there is an absence of a Federal appropriations Act authorizing the expenditure of District of Columbia local funds, the District of Columbia may obligate and expend local funds for programs and activities at the rate set forth in the Budget Request Act adopted by the Council, or a reprogramming adopted pursuant to this section*. Notwithstanding any other provision of this Act, the Mayor shall not transmit any annual budget or amendments or supplements thereto, to the President of the United States until the completion of the budget procedures contained in this Act. After the adoption of the annual budget for a fiscal year (beginning with the annual budget for fiscal year 1995), no reprogramming of amounts in the budget may occur unless the Mayor submits to the Council a request for such reprogramming and the Council approves the request, but only if any additional expenditures provided under such request for an activity are offset by reductions in expenditures for another activity.

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 allocation	Amount in bill	Committee allocation	Amount in bill
Comparison of amounts in the bill with Committee allocations to its subcommittees of amounts in the budget resolution for 2013: Subcommittee on Financial Services and General Government:				
Mandatory	21,240	21,240	21,234	[1] 21,234
Discretionary	22,991	23,158	25,581	[1] 25,710
Security	25	25	NA	NA
Nonsecurity	22,966	23,133	NA	NA
Projections of outlays associated with the recommendation:				
2013				[2] 40,484
2014				3,721
2015				626
2016				69
2017 and future years				–49
Financial assistance to State and local governments for 2013	NA	385	NA	463

[1] Includes outlays from prior-year budget authority.
[2] Excludes outlays from prior-year budget authority.

NA: Not applicable.

NOTE.—Consistent with the funding recommended in the bill for disaster funding and in accordance with section 251(b)(2)(D) of the BBEDCA and section 106 of the Deficit Control Act of 2011, the Committee anticipates that the Budget Committee will file a revised section 302(a) allocation for the Committee on Appropriations reflecting an upward adjustment of $167,000,000 in budget authority plus associated outlays.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2013

[In thousands of dollars]

Item	2012 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2013 appropriation	Budget estimate
TITLE I—DEPARTMENT OF THE TREASURY					
Departmental Offices					
Salaries and expenses	308,388	301,216	301,216	−7,172	
Department-wide systems and capital investments programs		7,108	7,108	+7,108	
Office of Inspector General	29,641	28,593	29,641		+1,048
Treasury Inspector General for Tax Administration	151,696	153,834	153,834	+2,138	
Special Inspector General for TARP	41,800	40,225	40,225	−1,575	
Financial Crimes Enforcement Network	110,788	102,407	108,307	−2,481	+5,900
Treasury forfeiture fund (rescission)	−950,000	−830,000	−950,000		−120,000
Total, Departmental Offices	−307,687	−196,617	−309,669	−1,982	−113,052
Financial Management Service	217,805			−217,805	
Alcohol and Tobacco Tax and Trade Bureau	99,878	96,786	100,378	+500	+3,592
Bureau of the Public Debt	165,635			−165,635	
Fiscal service		359,531	359,531	+359,531	
Community development financial institutions fund program account	221,000	221,000	233,000	+12,000	+12,000
Payment of government losses in shipment	2,000	2,000	2,000		
Total, Department of the Treasury, non-IRS	398,631	482,700	385,240	−13,391	−97,460
Internal Revenue Service					
Taxpayer services	2,239,703	2,253,133	2,253,133	+13,430	
Enforcement	5,299,367	5,424,706	5,611,530	+312,163	+186,824
Enhanced tax enforcement activities		276,964			−276,964
Subtotal	5,299,367	5,701,670	5,611,530	+312,163	−90,140
Operations support	3,947,416	4,062,136	4,324,211	+376,795	+262,075

Enhanced tax enforcement activities	....	414,064	....	....	−414,064
Subtotal	3,947,416	4,476,200	4,324,211	+376,795	−151,989
Business systems modernization	330,210	330,210	330,210	....	....
Total, Internal Revenue Service	11,816,696	12,761,213	12,519,084	+702,388	−242,129
Total, title I, Department of the Treasury	12,215,327	13,243,913	12,904,324	+688,997	−339,589
Appropriations	(13,165,327)	(13,382,885)	(13,854,324)	(+688,997)	(+471,439)
Rescissions	(−950,000)	(−830,000)	(−950,000)	....	(−120,000)
TITLE II—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT					
The White House					
Salaries and expenses	56,974	56,974	56,974	....	....
Compensation of the President	450	450	450	....	....
Subtotal	57,424	57,424	57,424	....	....
Executive Residence at the White House:					
Operating expenses	13,425	13,200	13,200	−225	....
White House repair and restoration	750	750	750	....	....
Subtotal	14,175	13,950	13,950	−225	....
Council of Economic Advisers	4,192	4,192	4,192	....	....
National Security Council and Homeland Security Council	13,048	13,048	13,048	....	....
Office of Administration	112,952	114,952	114,952	+2,000	....
Total, The White House	201,791	203,566	203,566	+1,775	....
Office of Management and Budget	89,456	91,542	91,542	+2,086	....
Office of National Drug Control Policy					
Salaries and expenses	24,500	23,413	24,500	....	+1,087
Rescission	−11,328	....	....	+11,328	....
High intensity drug trafficking areas program	238,522	200,000	238,522	....	+38,522
Other Federal drug control programs	105,550	118,600	128,584	+23,034	+9,984
Total, Office of National Drug Control Policy	357,244	342,013	391,606	+34,362	+49,593
Unanticipated needs	988	1,000	1,000	+12	....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2013—Continued

[In thousands of dollars]

Item	2012 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2013 appropriation	Budget estimate
Partnership fund for program integrity innovation	....	1,000	1,000	+1,000	....
Integrated, efficient and effective uses of information technology	5,000	5,000	5,000	....	....
Special Assistance to the President and Official Residence of the Vice President:					
Salaries and expenses	4,328	4,328	4,328	....	....
Operating expenses	307	307	307	....	....
Subtotal	4,635	4,635	4,635	....	....
Total, title II, Executive Office of the President and Funds Appropriated to the President	659,114	648,756	698,349	+39,235	+49,593
TITLE III—THE JUDICIARY					
Supreme Court of the United States					
Salaries and expenses:					
Salaries of justices	2,197	2,207	2,207	+10	....
Other salaries and expenses	72,622	74,958	74,958	+2,336	....
Subtotal	74,819	77,165	77,165	+2,346	....
Care of the building and grounds	8,159	11,963	11,963	+3,804	....
Total, Supreme Court of the United States	82,978	89,128	89,128	+6,150	....
United States Court of Appeals for the Federal Circuit					
Salaries and expenses:					
Salaries of judges	2,513	2,524	2,524	+11	....
Other salaries and expenses	29,998	31,804	31,196	+1,198	−608
Total, United States Court of Appeals for the Federal Circuit	32,511	34,328	33,720	+1,209	−608

United States Court of International Trade					
Salaries and expenses:					
Salaries of judges	1,718	1,715	1,715	−3	
Other salaries and expenses	19,729	21,165	21,165	+1,436	
Total, U.S. Court of International Trade	21,447	22,880	22,880	+1,433	
Courts of Appeals, District Courts, and Other Judicial Services					
Salaries and expenses:					
Salaries of judges and bankruptcy judges	327,707	338,037	338,037	+10,330	
Other salaries and expenses	4,687,293	4,810,762	4,803,968	+116,675	−6,794
Subtotal	5,015,000	5,148,799	5,142,005	+127,005	−6,794
Vaccine Injury Compensation Trust Fund	5,000	5,354	5,354	+354	
Defender services	1,031,000	1,063,517	1,048,517	+17,517	−15,000
Fees of jurors and commissioners	51,908	54,635	54,635	+2,727	
Court security	500,000	514,673	512,673	+12,673	−2,000
Total, Courts of Appeals, District Courts, and Other Judicial Services	6,602,908	6,786,978	6,763,184	+160,276	−23,794
Administrative Office of the United States Courts					
Salaries and expenses	82,909	85,148	85,148	+2,239	
Federal Judicial Center					
Salaries and expenses	27,000	27,729	27,519	+519	−210
Judicial Retirement Funds					
Payment to judiciary trust funds	103,768	125,464	125,464	+21,696	
United States Sentencing Commission					
Salaries and expenses	16,500	17,061	17,061	+561	
Total, title III, the Judiciary	6,970,021	7,188,716	7,164,104	+194,083	−24,612
TITLE IV—DISTRICT OF COLUMBIA					
FEDERAL FUNDS					
Federal payment for resident tuition support	30,000	35,100	35,100	+5,100	
Federal payment for emergency planning and security costs in the District of Columbia	14,900	24,700	24,700	+9,800	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2013—Continued

[In thousands of dollars]

Item	2012 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2013 appropriation	Budget estimate
Federal payment to the District of Columbia Courts	232,841	219,651	225,370	−7,471	+5,719
Federal payment for defender services in District of Columbia Courts	55,000	49,890	50,000	−5,000	+110
Federal payment to the Court Services and Offender Supervision Agency for the District of Columbia	212,983	215,506	215,506	+2,523	
Federal payment to the District of Columbia Public Defender Service	37,241	39,376	39,376	+2,135	
Federal payment to the District of Columbia Water and Sewer Authority	15,000	11,500	15,000		+3,500
Federal payment to the Criminal Justice Coordinating Council	1,800	1,800	1,800		
Federal payment for judicial commissions	500	500	500		
Federal payment for school improvement	60,000	60,000	53,500	−6,500	−6,500
Federal payment for the D.C. National Guard	375	500	500	+125	
Federal payment for redevelopment of the St. Elizabeths Hospital campus		9,800	9,800	+9,800	
Federal payment for HIV/AIDS prevention	5,000	5,000	5,000		
Federal payment for job training pilot project		2,000			−2,000
Federal payment for D.C. Commission on the Arts and Humanities grants		2,500			−2,500
Total, title IV, District of Columbia	665,640	677,823	676,152	+10,512	−1,671
TITLE V—OTHER INDEPENDENT AGENCIES					
Administrative Conference of the United States	2,900	3,200	3,200	+300	
Christopher Columbus Fellowship Foundation	450		450		+450
Civilian Property Realignment Board					
Salaries and expenses		17,000			−17,000
Asset Proceeds and Space Management Fund		40,000			−40,000
Total, Civilian Property Realignment Board		57,000			−57,000
Commodity Futures Trading Commission	205,294	308,000	308,000	+102,706	
Consumer Product Safety Commission	114,500	122,425	122,425	+7,925	

Election Assistance Commission					
Salaries and expenses	11,500	11,500	11,500	....	....
Federal Communications Commission					
Salaries and expenses	339,844	346,782	347,782	+7,938	+1,000
Offsetting fee collections—current year	−339,844	−346,782	−347,782	−7,938	−1,000
Direct appropriation	....	....	....	....	....
Federal Deposit Insurance Corporation: Office of Inspector General (by transfer)	(45,261)	(34,568)	(34,568)	(−10,693)	....
Federal Election Commission	66,367	66,367	67,999	+1,632	+1,632
Federal Labor Relations Authority	24,723	24,792	25,200	+477	+408
Federal Trade Commission					
Salaries and expenses	311,563	300,000	300,000	−11,563	....
Offsetting fee collections—current year	−108,000	−115,000	−115,000	−7,000	....
Offsetting fee collections, telephone database	−21,000	−15,000	−15,000	+6,000	....
Direct appropriation	182,563	170,000	170,000	−12,563	....
General Services Administration					
Federal Buildings Fund					
Limitations on availability of revenue:					
Construction and acquisition of facilities	50,000	56,000	56,000	+6,000	....
Repairs and alterations	280,000	494,768	514,768	+234,768	+20,000
Installment acquisition payments	126,801	119,589	119,589	−7,212	....
Rental of space	5,210,198	5,548,583	5,548,583	+338,385	....
Building operations	2,350,968	2,400,158	2,400,158	+49,190	....
Subtotal, Limitations on availability of revenue	8,017,967	8,619,098	8,639,098	+621,131	+20,000
Repayment of debt	80,000	87,620	87,620	+7,620	....
Rental income to fund	−9,303,000	−9,777,590	−9,777,590	−474,590	....
Total, Federal Buildings Fund	−1,205,033	−1,070,872	−1,050,872	+154,161	+20,000
Government-wide policy	61,115	84,182	78,182	+17,067	−6,000
Operating expenses	69,500	67,388	67,000	−2,500	−388
Office of Inspector General	58,000	58,960	58,960	+960	....
Electronic Government Fund	12,400	16,665	16,665	+4,265	....
Allowances and office staff for former Presidents	3,671	3,779	3,779	+108	....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2013—Continued

[In thousands of dollars]

Item	2012 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2013 appropriation	Budget estimate
Expenses, Presidential transition	....	8,947	8,947	+8,947	....
Federal Citizen Services Fund	34,100	31,751	31,751	−2,349	....
Policy and operations (rescission)	−4,600	....	....	+4,600	....
Total, General Services Administration	−970,847	−799,200	−785,588	+185,259	+13,612
Harry S Truman Scholarship Foundation	748	....	748	....	+748
Merit Systems Protection Board					
Salaries and expenses	40,258	38,648	41,055	+797	+2,407
Limitation on administrative expenses	2,345	2,345	2,345	....	....
Total, Merit Systems Protection Board	42,603	40,993	43,400	+797	+2,407
Morris K. Udall and Stewart L. Udall Foundation					
Morris K. Udall and Stewart L. Udall Trust Fund	2,200	2,200	2,200	....	....
Environmental Dispute Resolution Fund	3,792	3,800	3,800	+8	....
Total, Morris K. Udall and Stewart L. Udall Foundation	5,992	6,000	6,000	+8	....
National Archives and Records Administration					
Operating expenses	373,300	371,675	371,675	−1,625	....
Reduction of debt	−15,000	−17,000	−17,000	−2,000	....
Subtotal	358,300	354,675	354,675	−3,625	....
Office of the Inspector General	4,100	4,100	4,100	....	....
Repairs and restoration	9,100	8,000	8,000	−1,100	....
National Historical Publications and Records Commission: Grants program	5,000	3,000	5,000	....	+2,000
Total, National Archives and Records Administration	376,500	369,775	371,775	−4,725	+2,000

National Credit Union Administration Community Development Revolving Loan Fund	1,247	1,187	1,187	−60	....
Office of Government Ethics	13,664	13,473	20,164	+6,500	+6,691
Office of Personnel Management					
Salaries and expenses	97,774	90,541	90,541	−7,233	....
Limitation on administrative expenses	112,516	114,708	114,708	+2,192	....
Office of Inspector General	3,142	4,232	4,232	+1,090	....
Limitation on administrative expenses	21,174	21,172	21,172	−2	....
Government Payment for Annuitants, Employees Health Benefits	10,862,000	10,818,000	10,818,000	−44,000	....
Government Payment for Annuitants, Employee Life Insurance	52,000	51,000	51,000	−1,000	....
Payment to Civil Service Retirement and Disability Fund	9,979,000	9,780,000	9,780,000	−199,000	....
Total, Office of Personnel Management	21,127,606	20,879,653	20,879,653	−247,953	....
Office of Special Counsel	18,972	18,692	18,972	....	+280
Postal Regulatory Commission	14,304	14,450	14,450	+146	....
Privacy and Civil Liberties Oversight Board	900	1,000	1,000	+100	....
Rescission	−998	....	....	+998	....
Recovery and Accountability Transparency Board	28,350	31,500	31,500	+3,150	....
Securities and Exchange Commission	1,321,000	1,466,000	1,566,000	+245,000	+100,000
SEC fees	−1,321,000	−1,466,000	−1,566,000	−245,000	−100,000
Selective Service System	23,984	24,400	24,400	+416	....
Small Business Administration					
Salaries and expenses	417,348	423,577	445,499	+28,151	+21,922
Office of Inspector General	16,267	19,400	19,400	+3,133	....
Office of Advocacy	9,120	8,900	9,150	+30	+250
Business Loans Program Account:					
Direct loans subsidy	3,678	2,844	4,000	+322	+1,156
Guaranteed loans subsidy	207,100	348,600	333,600	+126,500	−15,000
Administrative expenses	147,958	145,060	145,060	−2,898	....
Subtotal, Business loans program account	358,736	496,504	482,660	+123,924	−13,844
Disaster Loans Program Account:					
Administrative expenses	117,300	....	....	−117,300	....
Disaster relief category	....	167,000	167,000	+167,000	....

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2012 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2013—Continued

[In thousands of dollars]

Item	2012 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or −)	
				2013 appropriation	Budget estimate
Total, Small Business Administration	918,771	1,115,381	1,123,709	+204,938	+8,328
United States Postal Service					
Payment to the Postal Service Fund:					
Advance appropriations	78,153	89,092	89,092	+10,939	....
Office of Inspector General	241,468	241,468	241,468	....	....
Total, United States Postal Service	319,621	330,560	330,560	+10,939	....
United States Tax Court	51,079	53,103	53,103	+2,024	....
Total, title V, Independent Agencies	22,580,793	22,864,251	22,843,807	+263,014	−20,444
Appropriations	(22,508,238)	(22,608,159)	(22,587,715)	(+79,477)	(−20,444)
Rescissions	(−5,598)	....	....	(+5,598)	....
Advances	(78,153)	(89,092)	(89,092)	(+10,939)	....
(by transfer)	(45,261)	(34,568)	(34,568)	(−10,693)	....
Grand total	43,090,895	44,623,459	44,286,736	+1,195,841	−336,723
Appropriations	(43,979,668)	(44,506,339)	(44,980,644)	(+1,000,976)	(+474,305)
Rescissions	(−966,926)	(−830,000)	(−950,000)	(+16,926)	(−120,000)
Advances	(78,153)	(89,092)	(89,092)	(+10,939)	....
(by transfer)	(45,261)	(34,568)	(34,568)	(−10,693)	....

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