

104TH CONGRESS
2^D SESSION

H. R. 3666

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 6, 1996

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1997, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any
4 money in the Treasury not otherwise appropriated, for the
5 Departments of Veterans Affairs and Housing and Urban
6 Development, and for sundry independent agencies,
7 boards, commissions, corporations, and offices for the fis-
8 cal year ending September 30, 1997, and for other pur-
9 poses, namely:

1 TITLE I
2 DEPARTMENT OF VETERANS AFFAIRS
3 VETERANS BENEFITS ADMINISTRATION
4 COMPENSATION AND PENSIONS
5 (INCLUDING TRANSFERS OF FUNDS)

6 For the payment of compensation benefits to or on
7 behalf of veterans as authorized by law (38 U.S.C. 107,
8 chapters 11, 13, 51, 53, 55, and 61); pension benefits to
9 or on behalf of veterans as authorized by law (38 U.S.C.
10 chapters 15, 51, 53, 55, and 61; 92 Stat. 2508); and bur-
11 ial benefits, emergency and other officers' retirement pay,
12 adjusted-service credits and certificates, payment of pre-
13 miums due on commercial life insurance policies guaran-
14 teed under the provisions of Article IV of the Soldiers'
15 and Sailors' Civil Relief Act of 1940, as amended, and
16 for other benefits as authorized by law (38 U.S.C. 107,
17 1312, 1977, and 2106, chapters 23, 51, 53, 55, and 61;
18 50 U.S.C. App. 540–548; 43 Stat. 122, 123; 45 Stat. 735;
19 76 Stat. 1198); ~~(1)\$18,497,854,000~~ \$18,671,259,000, to
20 remain available until expended: *Provided*, That not to ex-
21 ceed \$26,417,000 of the amount appropriated shall be re-
22 imbursed to “General operating expenses” and “Medical
23 care” for necessary expenses in implementing those provi-
24 sions authorized in the Omnibus Budget Reconciliation
25 Act of 1990, and in the Veterans' Benefits Act of 1992

1 (38 U.S.C. chapters 51, 53, and 55), the funding source
 2 for which is specifically provided as the “Compensation
 3 and pensions” appropriation: *Provided further*, That such
 4 sums as may be earned on an actual qualifying patient
 5 basis, shall be reimbursed to “Medical facilities revolving
 6 fund” to augment the funding of individual medical facili-
 7 ties for nursing home care provided to pensioners as au-
 8 thorized by the Veterans’ Benefits Act of 1992 (38 U.S.C.
 9 chapter 55).

10 READJUSTMENT BENEFITS

11 For the payment of readjustment and rehabilitation
 12 benefits to or on behalf of veterans as authorized by 38
 13 U.S.C. chapters 21, 30, 31, 34, 35, 36, 39, 51, 53, 55,
 14 and 61, ~~(2)\$1,227,000,000~~ \$1,377,000,000, to remain
 15 available until expended: *Provided*, That funds shall be
 16 available to pay any court order, court award or any com-
 17 promise settlement arising from litigation involving the vo-
 18 cational training program authorized by section 18 of
 19 Public Law 98–77, as amended.

20 VETERANS INSURANCE AND INDEMNITIES

21 For military and naval insurance, national service life
 22 insurance, servicemen’s indemnities, service-disabled vet-
 23 erans insurance, and veterans mortgage life insurance as
 24 authorized by 38 U.S.C. chapter 19; 70 Stat. 887; 72

1 Stat. 487, \$38,970,000, to remain available until ex-
2 pended.

3 GUARANTY AND INDEMNITY PROGRAM ACCOUNT

4 (INCLUDING TRANSFER OF FUNDS)

5 For the cost of direct and guaranteed loans, such
6 sums as may be necessary to carry out the program, as
7 authorized by 38 U.S.C. chapter 37, as amended: *Pro-*
8 *vided*, That such costs, including the cost of modifying
9 such loans, shall be as defined in section 502 of the Con-
10 gressional Budget Act of 1974, as amended.

11 In addition, for administrative expenses to carry out
12 the direct and guaranteed loan programs, \$105,226,000,
13 which may be transferred to and merged with the appro-
14 priation for “General operating expenses”.

15 LOAN GUARANTY PROGRAM ACCOUNT

16 (INCLUDING TRANSFER OF FUNDS)

17 For the cost of direct and guaranteed loans, such
18 sums as may be necessary to carry out the program, as
19 authorized by 38 U.S.C. chapter 37, as amended: *Pro-*
20 *vided*, That such costs, including the cost of modifying
21 such loans, shall be as defined in section 502 of the Con-
22 gressional Budget Act of 1974, as amended.

23 In addition, for administrative expenses to carry out
24 the direct and guaranteed loan programs, \$33,810,000,

1 which may be transferred to and merged with the appro-
2 priation for “General operating expenses”.

3 DIRECT LOAN PROGRAM ACCOUNT
4 (INCLUDING TRANSFER OF FUNDS)

5 For the cost of direct loans, such sums as may be
6 necessary to carry out the program, as authorized by 38
7 U.S.C. chapter 37, as amended: *Provided*, That such costs,
8 including the cost of modifying such loans, shall be as de-
9 fined in section 502 of the Congressional Budget Act of
10 1974, as amended: *Provided further*, That during 1997,
11 within the resources available, not to exceed \$300,000 in
12 gross obligations for direct loans are authorized for spe-
13 cially adapted housing loans.

14 In addition, for administrative expenses to carry out
15 the direct loan program, \$80,000, which may be trans-
16 ferred to and merged with the appropriation for “General
17 operating expenses”.

18 EDUCATION LOAN FUND PROGRAM ACCOUNT
19 (INCLUDING TRANSFER OF FUNDS)

20 For the cost of direct loans, \$1,000, as authorized
21 by 38 U.S.C. 3698, as amended: *Provided*, That such
22 costs, including the cost of modifying such loans, shall be
23 as defined in section 502 of the Congressional Budget Act
24 of 1974, as amended: *Provided further*, That these funds

1 are available to subsidize gross obligations for the prin-
 2 cipal amount of direct loans not to exceed \$3,000.

3 In addition, for administrative expenses necessary to
 4 carry out the direct loan program, \$195,000, which may
 5 be transferred to and merged with the appropriation for
 6 “General operating expenses”.

7 VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

8 (INCLUDING TRANSFER OF FUNDS)

9 For the cost of direct loans, \$49,000, as authorized
 10 by 38 U.S.C. chapter 31, as amended: *Provided*, That such
 11 costs, including the cost of modifying such loans, shall be
 12 as defined in section 502 of the Congressional Budget Act
 13 of 1974, as amended: *Provided further*, That these funds
 14 are available to subsidize gross obligations for the prin-
 15 cipal amount of direct loans not to exceed ~~(3)\$1,964,000~~
 16 \$2,822,000.

17 In addition, for administrative expenses necessary to
 18 carry out the direct loan program, \$377,000, which may
 19 be transferred to and merged with the appropriation for
 20 “General operating expenses”.

21 NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM

22 ACCOUNT

23 (INCLUDING TRANSFER OF FUNDS)

24 For administrative expenses to carry out the direct
 25 loan program authorized by 38 U.S.C. chapter 37, sub-

1 chapter V, as amended, \$205,000, which may be trans-
2 ferred to and merged with the appropriation for “General
3 operating expenses”.

4 VETERANS HEALTH ADMINISTRATION

5 MEDICAL CARE

6 For necessary expenses for the maintenance and op-
7 eration of hospitals, nursing homes, and domiciliary facili-
8 ties; for furnishing, as authorized by law, inpatient and
9 outpatient care and treatment to beneficiaries of the De-
10 partment of Veterans Affairs, including care and treat-
11 ment in facilities not under the jurisdiction of the Depart-
12 ment; and furnishing recreational facilities, supplies, and
13 equipment; funeral, burial, and other expenses incidental
14 thereto for beneficiaries receiving care in the Department;
15 administrative expenses in support of planning, design,
16 project management, real property acquisition and disposi-
17 tion, construction and renovation of any facility under the
18 jurisdiction or for the use of the Department; oversight,
19 engineering and architectural activities not charged to
20 project cost; repairing, altering, improving or providing fa-
21 cilities in the several hospitals and homes under the juris-
22 diction of the Department, not otherwise provided for, ei-
23 ther by contract or by the hire of temporary employees
24 and purchase of materials; uniforms or allowances there-
25 for, as authorized by 5 U.S.C. 5901–5902; aid to State

1 homes as authorized by 38 U.S.C. 1741; and not to exceed
 2 \$8,000,000 to fund cost comparison studies as referred
 3 to in 38 U.S.C. 8110(a)(5); \$17,008,447,000, plus reim-
 4 bursements: *Provided*, That of the funds made available
 5 under this heading, ~~(4)\$570,000,000~~ \$596,000,000 is for
 6 the equipment and land and structures object classifica-
 7 tions only, which amount shall not become available for
 8 obligation until August 1, 1997, and shall remain available
 9 until September 30, 1998.

10 MEDICAL AND PROSTHETIC RESEARCH

11 For necessary expenses in carrying out programs of
 12 medical and prosthetic research and development as au-
 13 thorized by 38 U.S.C. chapter 73, to remain available until
 14 September 30, 1998, ~~(5)\$257,000,000~~ \$262,000,000, plus
 15 reimbursements.

16 MEDICAL ADMINISTRATION AND MISCELLANEOUS

17 OPERATING EXPENSES

18 For necessary expenses in the administration of med-
 19 ical, hospital, nursing home, domiciliary, construction,
 20 supply, and research activities, as authorized by law; ad-
 21 ministrative expenses in support of planning, design,
 22 project management, architectural, engineering, real prop-
 23 erty acquisition and disposition, construction and renova-
 24 tion of any facility under the jurisdiction or for the use
 25 of the Department of Veterans Affairs, including site ac-

1quisition; engineering and architectural activities not
 2charged to project cost; and research and development in
 3building construction technology; ~~(6)\$59,207,000~~
 4\$62,207,000, plus reimbursements.

5 TRANSITIONAL HOUSING LOAN PROGRAM

6 (INCLUDING TRANSFER OF FUNDS)

7 For the cost of direct loans, \$7,000, as authorized
 8by Public Law 102–54, section 8, which shall be trans-
 9ferred from the “General post fund”: *Provided*, That such
 10costs, including the cost of modifying such loans, shall be
 11as defined in section 502 of the Congressional Budget Act
 12of 1974, as amended: *Provided further*, That these funds
 13are available to subsidize gross obligations for the prin-
 14cipal amount of direct loans not to exceed \$70,000.

15 In addition, for administrative expenses to carry out
 16the direct loan program, \$54,000, which shall be trans-
 17ferred from the “General post fund”, as authorized by
 18Public Law 102–54, section 8.

19 DEPARTMENTAL ADMINISTRATION

20 GENERAL OPERATING EXPENSES

21 For necessary operating expenses of the Department
 22of Veterans Affairs, not otherwise provided for, including
 23uniforms or allowances therefor; not to exceed \$25,000 for
 24official reception and representation expenses; hire of pas-
 25senger motor vehicles; and reimbursement of the General

1 Services Administration for security guard services, and
 2 the Department of Defense for the cost of overseas em-
 3 ployee mail; ~~(7)\$823,584,000~~ \$813,730,000: *Provided*
 4 ~~(8)~~*further*, That during fiscal year 1997, notwithstanding
 5 any other provision of law, the number of individuals em-
 6 ployed by the Department of Veterans Affairs (1) in other
 7 than “career appointee” positions in the Senior Executive
 8 Service shall not exceed 6, and (2) in schedule C positions
 9 shall not exceed 11: *Provided further*, That funds under
 10 this heading shall be available to administer the Service
 11 Members Occupational Conversion and Training Act.

12 NATIONAL CEMETERY SYSTEM

13 For necessary expenses for the maintenance and op-
 14 eration of the National Cemetery System, not otherwise
 15 provided for, including uniforms or allowances therefor;
 16 cemeterial expenses as authorized by law; purchase of two
 17 passenger motor vehicles for use in cemeterial operations;
 18 and hire of passenger motor vehicles, \$76,864,000.

19 OFFICE OF INSPECTOR GENERAL

20 For necessary expenses of the Office of Inspector
 21 General in carrying out the Inspector General Act of 1978,
 22 as amended, \$30,900,000.

23 CONSTRUCTION, MAJOR PROJECTS

24 For constructing, altering, extending and improving
 25 any of the facilities under the jurisdiction or for the use

1 of the Department of Veterans Affairs, or for any of the
2 purposes set forth in sections 316, 2404, 2406, 8102,
3 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, Unit-
4 ed States Code, including planning, architectural and en-
5 gineering services, maintenance or guarantee period serv-
6 ices costs associated with equipment guarantees provided
7 under the project, services of claims analysts, offsite utility
8 and storm drainage system construction costs, and site ac-
9 quisition, where the estimated cost of a project is
10 \$3,000,000 or more or where funds for a project were
11 made available in a previous major project appropriation,
12 ~~(9)\$245,358,000~~ \$178,250,000, to remain available until
13 expended: *Provided*, That except for advance planning of
14 projects funded through the advance planning fund and
15 the design of projects funded through the design fund,
16 none of these funds shall be used for any project which
17 has not been considered and approved by the Congress in
18 the budgetary process: *Provided further*, That funds pro-
19 vided in this appropriation for fiscal year 1997, for each
20 approved project shall be obligated (1) by the awarding
21 of a construction documents contract by September 30,
22 1997, and (2) by the awarding of a construction contract
23 by September 30, 1998: *Provided further*, That the Sec-
24 retary shall promptly report in writing to the Comptroller
25 General and to the Committees on Appropriations any ap-

1 proved major construction project in which obligations are
2 not incurred within the time limitations established above;
3 and the Comptroller General shall review the report in ac-
4 cordance with the procedures established by section 1015
5 of the Impoundment Control Act of 1974 (title X of Public
6 Law 93-344): *Provided further*, That no funds from any
7 other account except the “Parking revolving fund”, may
8 be obligated for constructing, altering, extending, or im-
9 proving a project which was approved in the budget proc-
10 ess and funded in this account until one year after sub-
11 stantial completion and beneficial occupancy by the De-
12 partment of Veterans Affairs of the project or any part
13 thereof with respect to that part only.

14 CONSTRUCTION, MINOR PROJECTS

15 For constructing, altering, extending, and improving
16 any of the facilities under the jurisdiction or for the use
17 of the Department of Veterans Affairs, including plan-
18 ning, architectural and engineering services, maintenance
19 or guarantee period services costs associated with equip-
20 ment guarantees provided under the project, services of
21 claims analysts, offsite utility and storm drainage system
22 construction costs, and site acquisition, or for any of the
23 purposes set forth in sections 316, 2404, 2406, 8102,
24 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, Unit-
25 ed States Code, where the estimated cost of a project is

1 less than \$3,000,000; ~~(10)\$160,000,000~~ \$190,000,000, to
 2 remain available until expended, along with unobligated
 3 balances of previous “Construction, minor projects” ap-
 4 propriations which are hereby made available for any
 5 project where the estimated cost is less than \$3,000,000:
 6 *Provided*, That funds in this account shall be available for
 7 (1) repairs to any of the nonmedical facilities under the
 8 jurisdiction or for the use of the Department which are
 9 necessary because of loss or damage caused by any natural
 10 disaster or catastrophe, and (2) temporary measures nec-
 11 essary to prevent or to minimize further loss by such
 12 causes.

13 **PARKING REVOLVING FUND**

14 For the parking revolving fund as authorized by 38
 15 U.S.C. 8109, ~~(11)\$12,300,000~~, together with income
 16 from fees collected, to remain available until expended,
 17 which shall be available for all authorized expenses except
 18 operations and maintenance costs, which will be funded
 19 from “Medical care”.

20 **GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE**
 21 **FACILITIES**

22 For grants to assist States to acquire or construct
 23 State nursing home and domiciliary facilities and to re-
 24 model, modify or alter existing hospital, nursing home and
 25 domiciliary facilities in State homes, for furnishing care

1 to veterans as authorized by 38 U.S.C. 8131–8137,
2 \$47,397,000, to remain available until expended.

3 GRANTS FOR THE CONSTRUCTION OF STATE VETERANS
4 CEMETERIES

5 For grants to aid States in establishing, expanding,
6 or improving State veteran cemeteries as authorized by 38
7 U.S.C. 2408, \$1,000,000, to remain available until ex-
8 pended.

9 FRANCHISE FUND
10 (INCLUDING TRANSFER OF FUNDS)

11 There is hereby established in the Treasury a fran-
12 chise fund pilot, as authorized by section 403 of Public
13 Law 103–356, to be available as provided in such section
14 for expenses and equipment necessary for the maintenance
15 and operation of such administrative services as the Sec-
16 retary determines may be performed more advantageously
17 as central services: *Provided*, That any inventories, equip-
18 ment and other assets pertaining to the services to be pro-
19 vided by the franchise fund, either on hand or on order,
20 less the related liabilities or unpaid obligations, and any
21 appropriations made hereafter for the purpose of provid-
22 ing capital, shall be used to capitalize the franchise fund:
23 *Provided further*, That the franchise fund may be paid in
24 advance from funds available to the Department and other
25 Federal agencies for which such centralized services are
26 performed, at rates which will return in full all expenses

1 of operation, including accrued leave, depreciation of fund
2 plant and equipment, amortization of automated data
3 processing (ADP) software and systems (either acquired
4 or donated), and an amount necessary to maintain a rea-
5 sonable operating reserve, as determined by the Secretary:
6 *Provided further*, That the franchise fund shall provide
7 services on a competitive basis: *Provided further*, That an
8 amount not to exceed four percent of the total annual in-
9 come to such fund may be retained in the fund for fiscal
10 year 1997 and each fiscal year thereafter, to remain avail-
11 able until expended, to be used for the acquisition of cap-
12 ital equipment and for the improvement and implementa-
13 tion of Departmental financial management, ADP, and
14 other support systems: *Provided further*, That no later
15 than thirty days after the end of each fiscal year amounts
16 in excess of this reserve limitation shall be transferred to
17 the Treasury: *Provided further*, That such franchise fund
18 pilot shall terminate pursuant to section 403(f) of Public
19 Law 103-356.

20 ADMINISTRATIVE PROVISIONS

21 (INCLUDING TRANSFER OF FUNDS)

22 SEC. 101. Any appropriation for 1997 for “Com-
23 pensation and pensions”, “Readjustment benefits”, and
24 “Veterans insurance and indemnities” may be transferred
25 to any other of the mentioned appropriations.

1 SEC. 102. Appropriations available to the Depart-
2 ment of Veterans Affairs for 1997 for salaries and ex-
3 penses shall be available for services authorized by 5
4 U.S.C. 3109.

5 SEC. 103. No appropriations in this Act for the De-
6 partment of Veterans Affairs (except the appropriations
7 for “Construction, major projects”, “Construction, minor
8 projects”, and the “Parking revolving fund”) shall be
9 available for the purchase of any site for or toward the
10 construction of any new hospital or home.

11 SEC. 104. No appropriations in this Act for the De-
12 partment of Veterans Affairs shall be available for hos-
13 pitalization or examination of any persons (except bene-
14 ficiaries entitled under the laws bestowing such benefits
15 to veterans, and persons receiving such treatment under
16 5 U.S.C. 7901–7904 or 42 U.S.C. 5141–5204), unless re-
17 imbursement of cost is made to the “Medical care” ac-
18 count at such rates as may be fixed by the Secretary of
19 Veterans Affairs.

20 SEC. 105. Appropriations available to the Depart-
21 ment of Veterans Affairs for fiscal year 1997 for “Com-
22 pensation and pensions”, “Readjustment benefits”, and
23 “Veterans insurance and indemnities” shall be available
24 for payment of prior year accrued obligations required to

1 be recorded by law against the corresponding prior year
2 accounts within the last quarter of fiscal year 1996.

3 SEC. 106. Appropriations accounts available to the
4 Department of Veterans Affairs for fiscal year 1997 shall
5 be available to pay prior year obligations of corresponding
6 prior year appropriations accounts resulting from title X
7 of the Competitive Equality Banking Act, Public Law
8 100–86, except that if such obligations are from trust
9 fund accounts they shall be payable from “Compensation
10 and pensions”.

11 SEC. 107. Notwithstanding any other provision of
12 law, during fiscal year 1997, the Secretary of Veterans
13 Affairs shall, from the National Service Life Insurance
14 Fund (38 U.S.C. 1920), the Veterans’ Special Life Insur-
15 ance Fund (38 U.S.C. 1923), and the United States Gov-
16 ernment Life Insurance Fund (38 U.S.C. 1955), reim-
17 burse the “General operating expenses” account for the
18 cost of administration of the insurance programs financed
19 through those accounts: *Provided*, That reimbursement
20 shall be made only from the surplus earnings accumulated
21 in an insurance program in fiscal year 1997, that are
22 available for dividends in that program after claims have
23 been paid and actuarially determined reserves have been
24 set aside: *Provided further*, That if the cost of administra-
25 tion of an insurance program exceeds the amount of sur-

1 plus earnings accumulated in that program, reimburse-
2 ment shall be made only to the extent of such surplus
3 earnings: *Provided further*, That the Secretary shall deter-
4 mine the cost of administration for fiscal year 1997, which
5 is properly allocable to the provision of each insurance pro-
6 gram and to the provision of any total disability income
7 insurance included in such insurance program.

8 **(12)***SEC. 108. (a) The Secretary of Veterans Affairs*
9 *may convey, without consideration, to the City of Tusca-*
10 *loosa, Alabama (in this section referred to as the "City"),*
11 *all right, title, and interest of the United States in and to*
12 *a parcel of real property, including any improvements*
13 *thereon, in the northwest quarter of section 28, township*
14 *21 south, range 9 west, of Tuscaloosa County, Alabama,*
15 *comprising a portion of the grounds of the Department of*
16 *Veterans Affairs medical center, Tuscaloosa, Alabama, and*
17 *consisting of approximately 9.42 acres, more or less.*

18 *(b) The conveyance under subsection (a) shall be sub-*
19 *ject to the condition that the City use the real property con-*
20 *veyed under that subsection in perpetuity solely for public*
21 *park or recreational purposes.*

22 *(c) The exact acreage and legal description of the real*
23 *property to be conveyed pursuant to this section shall be*
24 *determined by a survey satisfactory to the Secretary of Vet-*

1 *erans Affairs. The cost of such survey shall be borne by the*
 2 *City.*

3 *(d) The Secretary of Veterans Affairs may require such*
 4 *additional terms and conditions in connection with the con-*
 5 *veyance under this section as the Secretary considers appro-*
 6 *priate to protect the interests of the United States.*

7 TITLE II

8 DEPARTMENT OF HOUSING AND URBAN

9 DEVELOPMENT

10 HOUSING PROGRAMS

11 ~~(13)~~ ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

12 ~~(INCLUDING RESCISSION)~~

13 For assistance under the United States Housing Act
 14 of 1937, as amended (the "Act" herein) (42 U.S.C. 1437),
 15 not otherwise provided for, \$5,272,000,000 (reduced by
 16 \$140,000,000), to remain available until expended: *Pro-*
 17 *vided,* That of the total amount provided under this head,
 18 \$4,472,000,000 shall be for assistance under the United
 19 States Housing Act of 1937 (42 U.S.C. 1437) for use in
 20 connection with expiring or terminating section 8 subsidy
 21 contracts of which \$875,000,000 shall be available on Sep-
 22 tember 15, 1997: *Provided further,* That the Secretary
 23 may determine not to apply section 8(o)(6)(B) of the Act
 24 to housing vouchers during fiscal year 1997: *Provided fur-*
 25 *ther,* That of the total amount provided under this head,

1 ~~\$800,000,000 (reduced by \$140,000,000)~~ shall be for
2 amendments to section 8 contracts other than contracts
3 for projects developed under section 202 of the Housing
4 Act of 1959, as amended: *Provided further*, That 50 per
5 centum of the amounts of budget authority, or in lieu
6 thereof 50 per centum of the cash amounts associated with
7 such budget authority, that are recaptured from projects
8 described in section 1012(a) of the Stewart B. McKinney
9 Homeless Assistance Amendments Act of 1988 (Public
10 Law 100-628, 102 Stat. 3224, 3268) shall be rescinded,
11 or in the case of cash, shall be remitted to the Treasury,
12 and such amounts of budget authority or cash recaptured
13 and not rescinded or remitted to the Treasury shall be
14 used by State housing finance agencies or local govern-
15 ments or local housing agencies with projects approved by
16 the Secretary of Housing and Urban Development for
17 which settlement occurred after January 1, 1992, in ac-
18 cordance with such section.

19 HOUSING FOR SPECIAL POPULATIONS: ELDERLY AND
20 DISABLED

21 For capital advances, including amendments to cap-
22 ital advance contracts, and for project rental assistance
23 and amendments thereto, for Supportive Housing for the
24 Elderly under section 202 of the Housing Act of 1959,
25 as amended, ~~\$595,000,000 (increased by \$100,000,000)~~,
26 to remain available until expended.

1 For capital advances, including amendments to cap-
 2 ital advance contracts, and for project rental assistance
 3 and amendments thereto, for Supportive Housing for Per-
 4 sons with Disabilities under section 811 of the Cranston-
 5 Gonzalez National Affordable Housing Act, \$174,000,000
 6 (increased by \$40,000,000), to remain available until ex-
 7 pended, of which 25 percent shall be used for tenant-based
 8 rental assistance under section 8(o) of the United States
 9 Housing Act of 1937 (42 U.S.C. 1437(o)), in addition to
 10 any other amounts available for section 8(o).

11 The Secretary may waive any provision of section 202
 12 of the Housing Act of 1959 and section 811 of the Cran-
 13 ston-Gonzalez National Affordable Housing Act (including
 14 the provisions governing the terms and conditions of
 15 project rental assistance) that the Secretary determines is
 16 not necessary to achieve the objectives of these programs,
 17 or that otherwise impedes the ability to develop, operate
 18 or administer projects assisted under these programs, and
 19 may make provision for alternative conditions or terms
 20 where appropriate.

21 FLEXIBLE SUBSIDY FUND

22 (INCLUDING TRANSFER OF FUNDS)

23 From the fund established by section 236(g) of the
 24 National Housing Act, as amended, all uncommitted bal-
 25 ances of excess rental charges as of September 30, 1996,

1 and any collection during fiscal year 1997, shall be trans-
 2 ferred, as authorized under such section, to the fund au-
 3 thorized under section 201(j) of the Housing and Commu-
 4 nity Development Amendments of 1978, as amended.

5 RENTAL HOUSING ASSISTANCE

6 (RESCISSION)

7 The limitation otherwise applicable to the maximum
 8 payments that may be required in any fiscal year by all
 9 contracts entered into under section 236 of the National
 10 Housing Act (12 U.S.C. 1715z-1) is reduced in fiscal year
 11 1997 by not more than \$2,000,000 in uncommitted bal-
 12 ances of authorizations provided for this purpose in appro-
 13 priations Acts.

14 PUBLIC AND INDIAN HOUSING

15 HOUSING CERTIFICATE FUND

16 For tenant-based assistance under section 8 of the
 17 United States Housing Act of 1937 (42 U.S.C. 1437f),
 18 as amended, \$166,000,000, to remain available until ex-
 19 pended: *Provided*, That of the total amount provided
 20 under this head, \$50,000,000 shall be for nonelderly dis-
 21 abled families relocating pursuant to designation of a pub-
 22 lic housing development under section 7 of such Act: *Pro-*
 23 *vided further*, That the remainder of the amount provided
 24 under this head shall be used only for housing assistance
 25 for relocating residents of properties (i) that are eligible

1 for assistance under the Low Income Housing Preserva-
2 tion and Resident Homeownership Act of 1990
3 (LIHPRHA) or the Emergency Low-Income Housing
4 Preservation Act of 1987 (ELIHPA) in accordance with
5 the terms and conditions of the tenth and eleventh provi-
6 sos of the second undesignated paragraph under the head
7 “Annual Contributions for Assisted Housing” in Public
8 Law 104-134; (ii) that are owned by the Secretary and
9 being disposed of; (iii) for which section 8 assistance is
10 allocated under subsection (f) of section 204 of this Act
11 (relating to portfolio reengineering); or (iv) subject to spe-
12 cial workout assistance team intervention compliance ac-
13 tions: *Provided further,* That notwithstanding any other
14 provision of law, a public housing agency administering
15 certificate or voucher assistance provided under subsection
16 (b) or (c) of section 8 of the United States Housing Act
17 of 1937, as amended, shall delay for 3 months, the use
18 of any amounts of such assistance (or the certificate or
19 voucher representing assistance amounts) made available
20 by the termination during fiscal year 1997 of such assist-
21 ance on behalf of any family for any reason, but not later
22 than October 1, 1997, with the exception of any certifi-
23 cates assigned or committed to project-based assistance as
24 permitted otherwise by the Act, accomplished prior to the
25 effective date of this Act: *Provided further,* That section

1 8(c)(2)(A) of the United States Housing Act of 1937, as
 2 amended (42 U.S.C. 1437f(e)(2)(A)) is further amend-
 3 ed—

4 (1) in the third sentence by inserting “and fis-
 5 cal year 1997” after “1995”; and

6 (2) in the last sentence by inserting “and fiscal
 7 year 1997” after “1995”.

8 PUBLIC HOUSING OPERATING FUND

9 For payments to public housing agencies and Indian
 10 housing authorities for operating subsidies for low-income
 11 housing projects as authorized by section 9 of the United
 12 States Housing Act of 1937, as amended (42 U.S.C.
 13 1437g), \$2,850,000,000.

14 PUBLIC HOUSING CAPITAL FUND

15 (INCLUDING TRANSFERS OF FUNDS)

16 For the Public Housing Capital Fund program under
 17 the United States Housing Act of 1937, as amended (42
 18 U.S.C. 1437), \$2,700,000,000, to remain available until
 19 expended, of which \$2,415,000,000 shall be for mod-
 20 ernization of existing public housing projects;
 21 \$200,000,000 for Indian Housing Development;
 22 \$50,000,000 for grants to public housing agencies (includ-
 23 ing Indian housing authorities), nonprofit corporations,
 24 and other appropriate entities for a supportive services
 25 program to assist residents of public and assisted housing;

1 former residents of such housing receiving tenant-based
2 assistance under section 8 of such Act, and other low-in-
3 come families and individuals, principally for the benefit
4 of public housing residents, to become self-sufficient;
5 \$20,000,000 for technical assistance for the inspection of
6 public housing units, contract expertise, and training and
7 technical assistance directly or indirectly, under grants,
8 contracts, or cooperative agreements, to assist in the over-
9 sight and management of public and Indian housing
10 (whether or not the housing is being modernized with as-
11 sistance under this proviso) or tenant-based assistance, in-
12 cluding, but not limited to, an annual resident survey,
13 data collection and analysis, training and technical assist-
14 ance by or to officials and employees of the department
15 and of public housing agencies and to residents in connec-
16 tion with the public and Indian housing program or for
17 carrying out activities under section 6(j) of the Act;
18 \$10,000,000 for the Tenant Opportunity Program; and
19 \$5,000,000 for the Jobs-Plus Demonstration for Public
20 Housing families: *Provided*, That all obligated and unobli-
21 gated balances as of the end of fiscal year 1996 heretofore
22 provided for the development or acquisition costs of public
23 housing (including public housing for Indian families), for
24 modernization of existing public housing projects (includ-
25 ing such projects for Indian families), for public and In-

1 dian housing amendments, for modernization and develop-
2 ment technical assistance, for lease adjustments for the
3 section 23 program, and for the Family Investment Cen-
4 ters program shall be transferred to amounts made avail-
5 able under this heading.

6 REVITALIZATION OF SEVERELY DISTRESSED PUBLIC

7 HOUSING (HOPE VII)

8 For grants to public housing agencies for assisting
9 in the demolition of obsolete public housing projects or
10 portions thereof, the revitalization (where appropriate) of
11 sites (including remaining public housing units) on which
12 such projects are located, replacement housing which will
13 avoid or lessen concentrations of very low-income families,
14 and tenant-based assistance in accordance with section 8
15 of the United States Housing Act of 1937; and for provid-
16 ing replacement housing and assisting tenants to be dis-
17 placed by the demolition, \$550,000,000, to remain avail-
18 able until expended, of which the Secretary may use up
19 to \$2,500,000 for technical assistance, to be provided di-
20 rectly or indirectly by grants, contracts or cooperative
21 agreements, including training and cost of necessary travel
22 for participants in such training, by or to officials and em-
23 ployees of the Department and of public housing agencies
24 and to residents: *Provided*, That, notwithstanding any
25 other provision of law, the funds made available to the
26 Housing Authority of New Orleans under HOPE VI for

1 purposes of Desire Homes, shall not be obligated or ex-
2 pended for on-site construction until an independent third
3 party has determined whether the site is appropriate.

4 DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING
5 (INCLUDING TRANSFER OF FUNDS)

6 For grants to public and Indian housing agencies for
7 use in eliminating crime in public housing projects author-
8 ized by 42 U.S.C. 11901–11908, for grants for federally
9 assisted low-income housing authorized by 42 U.S.C.
10 11909, and for drug information clearinghouse services
11 authorized by 42 U.S.C. 11921–11925, \$290,000,000, to
12 remain available until expended, \$10,000,000 of which
13 shall be for grants, technical assistance, contracts and
14 other assistance training, program assessment, and execu-
15 tion for or on behalf of public housing agencies and resi-
16 dent organizations (including the cost of necessary travel
17 for participants in such training), \$5,000,000 of which
18 shall be used in connection with efforts to combat violent
19 crime in public and assisted housing under the Operation
20 Safe Home program administered by the Inspector Gen-
21 eral of the Department of Housing and Urban Develop-
22 ment, and \$5,000,000 of which shall be transferred to the
23 Office of Inspector General for Operation Safe Home: *Pro-*
24 *vided*, That the term “drug-related crime”, as defined in

1 ~~42 U.S.C. 11905(2)~~, shall also include other types of
2 crime as determined by the Secretary.

3 **(14)** *DEVELOPMENT OF ADDITIONAL NEW SUBSIDIZED*
4 *HOUSING*

5 *For assistance for the purchase, construction, acquisi-*
6 *tion, or development of additional public and subsidized*
7 *housing units for low income families under the United*
8 *States Housing Act of 1937, as amended (“the Act” herein)*
9 *(42 U.S.C. 1437), not otherwise provided for, \$969,464,442,*
10 *to remain available until expended: Provided, That of the*
11 *total amount provided under this head, \$595,000,000 shall*
12 *be for capital advances, including amendments to capital*
13 *advance contracts, for housing for the elderly, as authorized*
14 *by section 202 of the Housing Act of 1959, as amended,*
15 *and for project rental assistance, and amendments to con-*
16 *tracts for project rental assistance, for supportive housing*
17 *for the elderly under section 202(c)(2) of the Housing Act*
18 *of 1959; and \$174,000,000 shall be for capital advances,*
19 *including amendments to capital advance contracts, for*
20 *supportive housing for persons with disabilities, as author-*
21 *ized by section 811 of the Cranston-Gonzalez National Af-*
22 *fordable Housing Act; and for project rental assistance, and*
23 *amendments to contracts for project rental assistance, for*
24 *supportive housing for persons with disabilities as author-*
25 *ized by section 811 of the Cranston-Gonzalez National Af-*

1 *fordable Housing Act: Provided further, That the Secretary*
2 *may designate up to 25 percent of the amounts earmarked*
3 *under this paragraph for section 811 of the Cranston-Gon-*
4 *zalez National Affordable Housing Act for tenant-based as-*
5 *sistance, as authorized under that section, which assistance*
6 *is five years in duration: Provided further, That the Sec-*
7 *retary may waive any provision of section 202 of the Hous-*
8 *ing Act of 1959 and section 811 of the National Affordable*
9 *Housing Act (including the provisions governing the terms*
10 *and conditions of project rental assistance and tenant-based*
11 *assistance) that the Secretary determines is not necessary*
12 *to achieve the objectives of these programs, or that otherwise*
13 *impedes the ability to develop, operate or administer*
14 *projects assisted under these programs, and may make pro-*
15 *vision for alternative conditions or terms where appro-*
16 *priate: Provided further, That of the total amount provided*
17 *under this head, \$200,000,000 shall be for the development*
18 *or acquisition cost of public housing for Indian families,*
19 *including amounts for housing under the mutual help*
20 *homeownership opportunity program under section 202 of*
21 *the Act (42 U.S.C. 1437bb): Provided further, That of the*
22 *total amount provided under this head, the Secretary shall*
23 *provide \$464,442 to the Utah Housing Finance Agency, in*
24 *lieu of amounts lost to such agency in bond refinancings*

1 *during 1994, for its use in accordance with the immediately*
2 *preceding proviso.*

3 *PREVENTION OF RESIDENT DISPLACEMENT*

4 *For activities and assistance to prevent the involun-*
5 *tary displacement of low-income families, the elderly and*
6 *the disabled because of the loss of affordable housing stock,*
7 *expiration of subsidy contracts or expiration of use restric-*
8 *tions, or other changes in housing assistance arrangements,*
9 *\$4,775,000,000, to remain available until expended: Pro-*
10 *vided, That of the total amount provided under this head,*
11 *\$3,800,000,000 shall be for assistance under the United*
12 *States Housing Act of 1937 (42 U.S.C. 1437) for use in*
13 *connection with expiring or terminating section 8 subsidy*
14 *contracts: Provided further, That the Secretary may deter-*
15 *mine not to apply section 8(o)(6)(B) of the Act to housing*
16 *vouchers during fiscal year 1997: Provided further, That*
17 *of the total amount provided under this head, \$800,000,000*
18 *shall be for amendments to section 8 contracts other than*
19 *contracts for projects developed under section 202 of the*
20 *Housing Act of 1959, as amended: Provided further, That*
21 *of the total amount provided under this head, \$175,000,000*
22 *shall be for assistance under the United States Housing Act*
23 *of 1937 (42 U.S.C. 1437) for nonelderly disabled families*
24 *relocating pursuant to designation of a public housing de-*
25 *velopment under section 7 of such Act, for a demonstration*
26 *linking housing assistance to State welfare reform initia-*

1 *tives to help families make the transition from welfare to*
2 *work and for housing assistance for relocating residents of*
3 *properties (i) that are owned by the Secretary and being*
4 *disposed of; (ii) that are discontinuing section 8 project-*
5 *based assistance; or (iii) subject to special workout assist-*
6 *ance team intervention compliance actions: Provided, That*
7 *of the total amount made available under this head,*
8 *\$50,000,000 shall be made available to nonelderly disabled*
9 *families affected by the designation of a public housing de-*
10 *velopment under section 7 of such Act or the establishment*
11 *of preferences in accordance with section 651 of the Housing*
12 *and Community Development Act of 1992 (42 U.S.C.*
13 *13611).*

14 *PRESERVING EXISTING HOUSING INVESTMENT*

15 *For operating, maintaining, revitalizing, rehabilitat-*
16 *ing, preserving, and protecting existing housing develop-*
17 *ments for low income families, the elderly and the disabled,*
18 *\$6,740,000,000, to remain available until expended: Pro-*
19 *vided, That of the total amount made available under this*
20 *head, \$2,900,000,000 shall be available for payments to*
21 *public housing agencies and Indian housing authorities for*
22 *operating subsidies for low-income housing projects as au-*
23 *thorized by section 9 of the United States Housing Act of*
24 *1937, as amended (42 U.S.C. 1437g): Provided further,*
25 *That of the total amount made available under this head,*
26 *\$2,500,000,000 shall be available for modernization of exist-*

1 *ing public housing projects as authorized under section 14*
2 *of the United States Housing Act of 1937, as amended (42*
3 *U.S.C. 1437l): Provided further, That of the total amount*
4 *made available under this head, \$550,000,000 shall be for*
5 *grants to public housing agencies for assisting in the demo-*
6 *lition of obsolete public housing projects or portions thereof,*
7 *the revitalization (where appropriate) of sites (including re-*
8 *maining public housing units) on which such projects are*
9 *located, replacement housing which will avoid or lessen con-*
10 *centrations of very low-income families, and tenant-based*
11 *assistance in accordance with section 8 of the United States*
12 *Housing Act of 1937; and for providing replacement hous-*
13 *ing and assisting tenants to be displaced by the demolition,*
14 *of which the Secretary may use up to \$2,500,000 for tech-*
15 *nical assistance, to be provided directly or indirectly by*
16 *grants, contracts or cooperative agreements, including*
17 *training and cost of necessary travel for participants in*
18 *such training, by or to officials and employees of the De-*
19 *partment and of public housing agencies and to residents:*
20 *Provided further, That of the total amount provided under*
21 *this head, \$500,000,000 shall be available for use in con-*
22 *junction with properties that are eligible for assistance*
23 *under the Low Income Housing Preservation and Resident*
24 *Homeownership Act of 1990 (LIHPRHA) or the Emergency*
25 *Low-Income Housing Preservation Act of 1987 (ELIHPA):*

1 *Provided further, That amounts recaptured from interest*
2 *reduction payment contracts for section 236 projects whose*
3 *owners prepay their mortgages during fiscal year 1997 shall*
4 *be rescinded: Provided further, That the Secretary may con-*
5 *tinue to impose a moratorium on the acceptance of initial*
6 *notices of intent by potential recipients of such funding:*
7 *Provided further, That funding shall be limited to: (1) ten-*
8 *ant-based assistance under the terms of the tenth and elev-*
9 *enth provisos of the second undesignated paragraph under*
10 *the “Annual Contributions for Assisted Housing” head of*
11 *the Departments of Veterans Affairs and Housing and*
12 *Urban Development, and Independent Agencies Appropria-*
13 *tions Act, 1996; (2) plans of action for sales of projects to*
14 *nonprofit organizations, tenant-sponsored organizations*
15 *and other priority purchasers; (3) projects that are subject*
16 *to a repayment or settlement agreement that was executed*
17 *between the owner and the Secretary prior to September*
18 *1, 1995; (4) projects for which submissions were delayed*
19 *as a result of their location in areas that were designated*
20 *as a Federal disaster area in a Presidential Disaster Dec-*
21 *laration; and (5) projects whose processing was, in fact, or*
22 *in practical effect, suspended, deferred, or interrupted for*
23 *a period of nine months or more because of differing inter-*
24 *pretations, by the Secretary and an owner concerning the*
25 *timing of the ability of an uninsured section 236 property*

1 to prepay or by the Secretary and a State or local rent
2 regulatory agency, concerning the effect of a presumptively
3 applicable State or local rent control law or regulation on
4 the determination of preservation value under section 213
5 of LIHPRHA, as amended, if the owner of such project filed
6 a notice of intent to extend the low-income affordability re-
7 strictions of the housing, or transfer to a qualified pur-
8 chaser who would extend such restrictions, on or before No-
9 vember 1, 1993: Provided further, That priority shall be
10 given to funding tenant-based assistance under the terms
11 of the tenth and eleventh provisos of the second undesignated
12 paragraph under the “Annual Contributions for Assisted
13 Housing” head of the Departments of Veterans Affairs and
14 Housing and Urban Development, and Independent Agen-
15 cies Appropriations Act, 1996, and plans of action for sales
16 of projects to nonprofit organizations, tenant-sponsored or-
17 ganizations, and other priority purchasers: Provided fur-
18 ther, That the Secretary may give priority to funding ap-
19 proved plans of action for the following projects: (1) projects
20 that are subject to a repayment or settlement agreement that
21 was executed between the owner and the Secretary prior to
22 September 1, 1995; (2) projects for which submissions were
23 delayed as a result of their location in areas that were des-
24 ignated as a Federal disaster area in a Presidential Disas-
25 ter Declaration; and (3) projects whose processing was, in

1 *fact, or in practical effect, suspended, deferred, or inter-*
2 *rupted for a period of nine months or more because of differ-*
3 *ing interpretations, by the Secretary and an owner concern-*
4 *ing the timing of the ability of an uninsured section 236*
5 *property to prepay or by the Secretary and a State or local*
6 *rent regulatory agency, concerning the effect of a presump-*
7 *tively applicable State or local rent control law or regula-*
8 *tion on the determination of preservation value under sec-*
9 *tion 213 of LIHPRHA, as amended, if the owner of such*
10 *project filed a notice of intent to extend the low-income af-*
11 *fordability restrictions of the housing, or transfer to a quali-*
12 *fied purchaser who would extend such restrictions, on or*
13 *before November 1, 1993: Provided further, That section*
14 *241(f) of the National Housing Act is repealed and insur-*
15 *ance under such section shall not be offered as an incentive*
16 *under LIHPRHA and ELIHPA: Provided further, That a*
17 *capital loan may be provided as an incentive under*
18 *LIHPRHA or ELIHPA on such terms and conditions as*
19 *the Secretary may prescribe: Provided further, That the fol-*
20 *lowing provisos under the second undesignated heading*
21 *under the “Annual Contributions for Assisted Housing”*
22 *head of the Departments of Veterans Affairs and Housing*
23 *and Urban Development, and Independent Agencies Appro-*
24 *priations Act, 1996 shall continue in effect: the fourth pro-*
25 *viso, the sixth proviso, the seventh proviso, the ninth pro-*

1 *viso, the tenth proviso, the eleventh proviso, and the twelfth*
2 *proviso: Provided further, That notwithstanding any other*
3 *provision of law, effective October 1, 1997, the Secretary*
4 *shall suspend further funding of plans of action: Provided*
5 *further, That of the total amount provided under this head*
6 *\$290,000,000 shall be for grants to public and Indian hous-*
7 *ing agencies for use in eliminating crime in public housing*
8 *projects authorized by 42 U.S.C. 11901–11908, for grants*
9 *for federally assisted low-income housing authorized by 42*
10 *U.S.C. 11909, and for drug information clearinghouse serv-*
11 *ices authorized by 42 U.S.C. 11921–11925, of which*
12 *\$10,000,000 shall be for grants, technical assistance, con-*
13 *tracts and other assistance training, program assessment,*
14 *and execution for or on behalf of public housing agencies*
15 *and resident organizations (including the cost of necessary*
16 *travel for participants in such training), up to \$5,000,000*
17 *of which may be used in connection with efforts to combat*
18 *violent crime in public and assisted housing under the Op-*
19 *eration Safe Home program administered by the Inspector*
20 *General of the Department of Housing and Urban Develop-*
21 *ment, and up to \$5,000,000 of which may be provided to*
22 *the Office of Inspector General for Operation Safe Home:*
23 *Provided further, That the term “drug-related crime”, as*
24 *defined in 42 U.S.C. 11905(2), shall also include other types*
25 *of crime as determined by the Secretary: Provided further,*

1 *That notwithstanding section 5130(c) of the Anti-Drug*
 2 *Abuse Act of 1988 (42 U.S.C. 11909(c)), the Secretary may*
 3 *determine not to use any such funds to provide public hous-*
 4 *ing youth sports grants.*

5 INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM
 6 ACCOUNT

7 For the cost of guaranteed loans, as authorized by
 8 section 184 of the Housing and Community Development
 9 Act of 1992 (106 Stat. 3739), \$3,000,000: *Provided*, That
 10 such costs, including the costs of modifying such loans,
 11 shall be as defined in section 502 of the Congressional
 12 Budget Act of 1974, as amended: *Provided further*, That
 13 these funds are available to subsidize total loan principal,
 14 any part of which is to be guaranteed, not to exceed
 15 \$36,900,000.

16 COMMUNITY PLANNING AND DEVELOPMENT
 17 COMMUNITY DEVELOPMENT BLOCK GRANTS FUND
 18 (INCLUDING TRANSFER OF FUNDS)

19 For grants to States and units of general local gov-
 20 ernment and for related expenses, not otherwise provided
 21 for, to carry out a community development grants pro-
 22 gram as authorized by title I of the Housing and Commu-
 23 nity Development Act of 1974, as amended (the “Act”
 24 herein) (42 U.S.C. 5301), \$4,600,000,000, to remain
 25 available until September 30, 1999, ~~(15)~~ of which

1 ~~\$300,000,000~~ shall become available for obligation on
2 September 30, 1997, and of which ~~(16)~~\$61,400,000
3 \$68,500,000 shall be for grants to Indian tribes notwith-
4 standing section 106(a)(1) of the Act: *Provided*, That
5 \$2,100,000 shall be available as a grant to the Housing
6 Assistance Council, ~~(17)~~\$1,000,000 \$1,500,000 shall be
7 available as a grant to the National American Indian
8 Housing Council, and \$49,000,000 shall be available for
9 grants pursuant to section 107 of such Act, including up
10 to \$14,000,000 for the development and operation of a
11 management information system: *Provided further*, That
12 not to exceed 20 percent of any grant made with funds
13 appropriated herein (other than a grant made available
14 under the preceding proviso to the Housing Assistance
15 Council or the National American Indian Housing Coun-
16 cil, or a grant using funds under section 107(b)(3) of the
17 Housing and Community Development Act of 1974, as
18 amended) shall be expended for “Planning and Manage-
19 ment Development” and “Administration” as defined in
20 regulations promulgated by the Department: *Provided fur-*
21 *ther*, That for fiscal year 1997 and thereafter, section
22 105(a)(25) of such Act, shall continue to be effective and
23 the termination and conforming provisions of section
24 907(b)(2) of the Cranston-Gonzalez National Affordable
25 Housing Act shall not be effective: *Provided further*, That

1 section 916(f) of the Cranston-Gonzalez National Afford-
2 able Housing Act is repealed.

3 **(18)***Of the amount provided under this heading, the*
4 *Secretary of Housing and Urban Development may use up*
5 *to \$50,000,000 for grants to public housing agencies (in-*
6 *cluding Indian housing authorities), nonprofit corpora-*
7 *tions, and other appropriate entities for a supportive serv-*
8 *ices program to assist residents of public and assisted hous-*
9 *ing, former residents of such housing receiving tenant-based*
10 *assistance under section 8 of such Act (42 U.S.C. 1437f),*
11 *and other low-income families and individuals to become*
12 *self-sufficient: Provided, That the program shall provide*
13 *supportive services, principally for the benefit of public*
14 *housing residents, to the elderly and the disabled, and to*
15 *families with children where the head of household would*
16 *benefit from the receipt of supportive services and is work-*
17 *ing, seeking work, or is preparing for work by participating*
18 *in job training or educational programs: Provided further,*
19 *That the supportive services shall include congregate serv-*
20 *ices for the elderly and disabled, service coordinators, and*
21 *coordinated educational, training, and other supportive*
22 *services, including academic skills training, job search as-*
23 *sistance, assistance related to retaining employment, voca-*
24 *tional and entrepreneurship development and support pro-*
25 *grams, transportation, and child care: Provided further,*

1 *That the Secretary shall require applications to dem-*
2 *onstrate firm commitments of funding or services from other*
3 *sources: Provided further, That the Secretary shall select*
4 *public and Indian housing agencies to receive assistance*
5 *under this head on a competitive basis, taking into account*
6 *the quality of the proposed program (including any innova-*
7 *tive approaches), the extent of the proposed coordination of*
8 *supportive services, the extent of commitments of funding*
9 *or services from other sources, the extent to which the pro-*
10 *posed program includes reasonably achievable, quantifiable*
11 *goals for measuring performance under the program over*
12 *a three-year period, the extent of success an agency has had*
13 *in carrying out other comparable initiatives, and other ap-*
14 *propriate criteria established by the Secretary.*

15 **(19)***Of the amount made available under this head-*
16 *ing, notwithstanding any other provision of law,*
17 *\$20,000,000 shall be available for grants to entities manag-*
18 *ing or operating public housing developments, federally-as-*
19 *sisted multifamily-housing developments, or other multi-*
20 *family-housing developments for low-income families sup-*
21 *ported by non-Federal governmental entities or similar*
22 *housing developments supported by nonprofit private*
23 *sources, to reimburse local law enforcement entities for ad-*
24 *ditional police presence in and around such housing devel-*
25 *opments; to provide or augment such security services by*

1 *other entities or employees of the recipient agency; to assist*
2 *in the investigation and/or prosecution of drug related*
3 *criminal activity in and around such developments; and*
4 *to provide assistance for the development of capital im-*
5 *provements at such developments directly relating to the se-*
6 *curity of such developments: Provided, That such grants*
7 *shall be made on a competitive basis as specified in section*
8 *102 of the HUD Reform Act.*

9 Of the amount made available under this heading,
10 notwithstanding any other provision of law,
11 ~~(20)\$20,000,000~~ \$40,000,000 shall be available for
12 youthbuild program activities authorized by subtitle D of
13 title IV of the Cranston-Gonzalez National Affordable
14 Housing Act, as amended, and such activities shall be an
15 eligible activity with respect to any funds made available
16 under this heading.

17 Of the amount made available under this heading,
18 notwithstanding any other provision of law, \$60,000,000
19 shall be available for the lead-based paint hazard reduc-
20 tion program as authorized under sections 1011 and 1053
21 of the Residential Lead-Based Hazard Reduction Act of
22 1992.

23 For the cost of guaranteed loans, \$31,750,000, as au-
24 thorized by section 108 of the Housing and Community
25 Development Act of 1974: *Provided, That such costs, in-*

1 cluding the cost of modifying such loans, shall be as de-
2 fined in section 502 of the Congressional Budget Act of
3 1974, as amended: *Provided further*, That these funds are
4 available to subsidize total loan principal, any part of
5 which is to be guaranteed, not to exceed \$1,500,000,000,
6 notwithstanding any aggregate limitation on outstanding
7 obligations guaranteed in section 108(k) of the Housing
8 and Community Development Act of 1974. In addition,
9 for administrative expenses to carry out the guaranteed
10 loan program, \$675,000 which shall be transferred to and
11 merged with the appropriation for ~~(21)~~*departmental* sala-
12 ries and expenses.

13 HOME INVESTMENT PARTNERSHIPS PROGRAM

14 For the HOME investment partnerships program, as
15 authorized under title II of the Cranston-Gonzalez Na-
16 tional Affordable Housing Act (Public Law 101-625), as
17 amended, \$1,400,000,000, to remain available until ex-
18 pended: *Provided*, That \$21,000,000 shall be available for
19 grants to Indian Tribes: *Provided further*, That up to 0.5
20 percent, but not less than \$7,000,000, shall be available
21 for the development and operation of a management infor-
22 mation system: *Provided further*, That \$15,000,000 shall
23 be available for Housing Counseling under section 106 of
24 the Housing and Urban Development Act of 1968.

1 HOMELESS ASSISTANCE FUNDS

2 For the emergency shelter grants program (as au-
3 thorized under subtitle B of title IV of the Stewart B.
4 McKinney Homeless Assistance Act (Public Law 100–77),
5 as amended); the supportive housing program (as author-
6 ized under subtitle C of title IV of such Act); the section
7 8 moderate rehabilitation single room occupancy program
8 (as authorized under the United States Housing Act of
9 1937, as amended) to assist homeless individuals pursuant
10 to section 441 of the Stewart B. McKinney Homeless As-
11 sistance Act; and the shelter plus care program (as au-
12 thorized under subtitle F of title IV of such Act),
13 \$823,000,000, to remain available until expended.

14 HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

15 (INCLUDING TRANSFER OF FUNDS)

16 For carrying out the Housing Opportunities for Per-
17 sons with AIDS program, as authorized by the AIDS
18 Housing Opportunity Act (42 U.S.C. 12901),
19 \$171,000,000, to remain available until expended: *Pro-*
20 *vided*, That any amounts previously appropriated for such
21 program, and any related assets and liabilities, in the “An-
22 nual contributions for assisted housing” account, shall be
23 transferred to and merged with amounts in this account.

1 FEDERAL HOUSING ADMINISTRATION
2 FHA—MUTUAL MORTGAGE INSURANCE PROGRAM
3 ACCOUNT
4 (INCLUDING TRANSFERS OF FUNDS)

5 During fiscal year 1997, commitments to guarantee
6 loans to carry out the purposes of section 203(b) of the
7 National Housing Act, as amended, shall not exceed a loan
8 principal of \$110,000,000,000: *Provided*, That during fis-
9 cal year 1997, the Secretary shall sell assigned mortgage
10 notes having an unpaid principal balance of up to
11 \$2,000,000,000, which notes were originally insured under
12 section 203(b) of the National Housing Act: *Provided fur-*
13 *ther*, That the Secretary may use the amount of any nega-
14 tive subsidy resulting from the sale of such assigned mort-
15 gage notes during fiscal year 1997 for the purposes in-
16 cluded under this heading.

17 During fiscal year 1997, obligations to make direct
18 loans to carry out the purposes of section 204(g) of the
19 National Housing Act, as amended, shall not exceed
20 \$200,000,000: *Provided*, That the foregoing amount shall
21 be for loans to nonprofit and governmental entities in con-
22 nection with sales of single family real properties owned
23 by the Secretary and formerly insured under section 203
24 of such Act.

1 For administrative expenses necessary to carry out
 2 the guaranteed and direct loan program,
 3 ~~(22)\$341,595,000~~ \$350,595,000, to be derived from the
 4 FHA-mutual mortgage insurance guaranteed loans receipt
 5 account, of which not to exceed ~~(23)\$334,483,000~~
 6 \$343,483,000 shall be transferred to the appropriation for
 7 departmental salaries and expenses; and of which not to
 8 exceed \$7,112,000 shall be transferred to the appropria-
 9 tion for the Office of Inspector General.

10 FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT
 11 (INCLUDING TRANSFERS OF FUNDS)

12 For the cost of guaranteed loans, as authorized by
 13 sections 238 and 519 of the National Housing Act (12
 14 U.S.C. 1715z-3 and 1735c), including the cost of loan
 15 guarantee modifications (as that term is defined in section
 16 502 of the Congressional Budget Act of 1974, as amend-
 17 ed) \$85,000,000, to remain available until expended:
 18 *Provided*, That these funds are available to subsidize total
 19 loan principal, any part of which is to be guaranteed, of
 20 up to \$17,400,000,000: *Provided further*, That during fis-
 21 cal year 1997, the Secretary shall sell assigned notes hav-
 22 ing an unpaid principal balance of up to \$2,500,000,000,
 23 which notes are held by the Secretary under the General
 24 Insurance and Special Risk Insurance funds: *Provided fur-*
 25 *ther*, That any amounts made available in any prior appro-

1 priations Act for the cost (as such term is defined in sec-
 2 tion 502 of the Congressional Budget Act of 1974) of
 3 guaranteed loans that are obligations of the funds estab-
 4 lished under section 238 or 519 of the National Housing
 5 Act that have not been obligated or that are deobligated
 6 shall be available to the Secretary of Housing and Urban
 7 Development in connection with the making of such guar-
 8 antees and shall remain available until expended, notwith-
 9 standing the expiration of any period of availability other-
 10 wise applicable to such amounts.

11 Gross obligations for the principal amount of direct
 12 loans, as authorized by sections 204(g), 207(l), 238(a),
 13 and 519(a) of the National Housing Act, shall not exceed
 14 \$120,000,000; of which not to exceed \$100,000,000 shall
 15 be for bridge financing in connection with the sale of mul-
 16 tifamily real properties owned by the Secretary and for-
 17 merly insured under such Act; and of which not to exceed
 18 \$20,000,000 shall be for loans to nonprofit and govern-
 19 mental entities in connection with the sale of single-family
 20 real properties owned by the Secretary and formerly in-
 21 sured under such Act.

22 In addition, for administrative expenses necessary to
 23 carry out the guaranteed and direct loan programs,
 24 ~~(24) \$202,470,000, of which \$198,299,000~~ \$207,470,000,
 25 *of which \$203,299,000* shall be transferred to the appro-

1 priation for **(25)***departmental* salaries and expenses; and
 2 of which \$4,171,000 shall be transferred to the appropria-
 3 tion for the Office of Inspector General.

4 GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
 5 GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN
 6 GUARANTEE PROGRAM ACCOUNT
 7 (INCLUDING TRANSFER OF FUNDS)

8 During fiscal year 1997, new commitments to issue
 9 guarantees to carry out the purposes of section 306 of the
 10 National Housing Act, as amended (12 U.S.C. 1721(g)),
 11 shall not exceed \$110,000,000,000.

12 For administrative expenses necessary to carry out
 13 the guaranteed mortgage-backed securities program,
 14 **(26)**~~\$9,101,000~~ \$9,383,000, to be derived from the
 15 GNMA-guarantees of mortgage-backed securities guaran-
 16 teed loan receipt account, of which not to exceed
 17 **(27)**~~\$9,101,000~~ \$9,383,000 shall be transferred to the ap-
 18 propriation for **(28)***departmental* salaries and expenses.

19 POLICY DEVELOPMENT AND RESEARCH
 20 RESEARCH AND TECHNOLOGY

21 For contracts, grants, and necessary expenses of pro-
 22 grams of research and studies relating to housing and
 23 urban problems, not otherwise provided for, as authorized
 24 by title V of the Housing and Urban Development Act
 25 of 1970, as amended (12 U.S.C. 1701z-1 et seq.), includ-

1 ing carrying out the functions of the Secretary under sec-
 2 tion 1(a)(1)(i) of Reorganization Plan No. 2 of 1968,
 3 \$34,000,000, to remain available until September 30,
 4 1998.

5 FAIR HOUSING AND EQUAL OPPORTUNITY

6 FAIR HOUSING ACTIVITIES

7 For contracts, grants, and other assistance, not oth-
 8 erwise provided for, as authorized by title VIII of the Civil
 9 Rights Act of 1968, as amended by the Fair Housing
 10 Amendments Act of 1988, and for contracts with qualified
 11 fair housing enforcement organizations, as authorized by
 12 section 561 of the Housing and Community Development
 13 Act of 1987, as amended, \$30,000,000, to remain avail-
 14 able until September 30, 1998, of which \$15,000,000 shall
 15 be to carry out activities pursuant to section 561.

16 MANAGEMENT AND ADMINISTRATION

17 SALARIES AND EXPENSES

18 (INCLUDING TRANSFER OF FUNDS)

19 For necessary administrative and non-administrative
 20 expenses of the Department of Housing and Urban Devel-
 21 opment, not otherwise provided for, including not to ex-
 22 ceed \$7,000 for official reception and representation ex-
 23 penses, ~~(29)\$962,558,000 (reduced by \$1,411,000) (re-~~
 24 ~~duced by \$42,000,000) \$976,840,000, of which~~
 25 ~~(30)\$532,782,000~~ \$546,782,000 shall be provided from

1 the various funds of the Federal Housing Administration,
 2 ~~(31)\$9,101,000~~ \$9,383,000 shall be provided from funds
 3 of the Government National Mortgage Association, and
 4 \$675,000 shall be provided from the Community Develop-
 5 ment Grants Program account.

6 OFFICE OF INSPECTOR GENERAL
 7 (INCLUDING TRANSFER OF FUNDS)

8 For necessary expenses of the Office of Inspector
 9 General in carrying out the provisions of the Inspector
 10 General Act of 1978, as amended, \$52,850,000, of which
 11 \$11,283,000 shall be provided from the various funds of
 12 the Federal Housing Administration and \$5,000,000 shall
 13 be ~~(32)provided~~ *transferred* from the amount earmarked
 14 for Operation Safe Home in the Drug elimination grants
 15 for low income housing account.

16 OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT
 17 SALARIES AND EXPENSES
 18 (INCLUDING TRANSFER OF FUNDS)

19 For carrying out the Federal Housing Enterprise Fi-
 20 nancial Safety and Soundness Act of 1992,
 21 ~~(33)\$14,895,000~~ \$15,751,000, to remain available until
 22 expended, from the Federal Housing Enterprise Oversight
 23 Fund: *Provided*, That such amounts shall be collected by
 24 the Director as authorized by section 1316(a) and (b) of
 25 such Act, and deposited in the Fund under section 1316(f)
 26 of such Act.

1 ADMINISTRATIVE PROVISIONS

2 ~~(34)~~SEC. 201. MINIMUM RENTS.—Notwithstanding
3 section ~~3(a)~~ and ~~8(o)(2)~~ of the United States Housing Act
4 of 1937, as amended, for fiscal year 1997—

5 (1) public housing agencies shall require each
6 family who is assisted under the certificate or mod-
7 erate rehabilitation program under section 8 of such
8 Act to pay a minimum monthly rent of up to \$25;

9 (2) public housing agencies shall reduce the
10 monthly assistance payment on behalf of each family
11 who is assisted under the voucher program under
12 section 8 of such Act so that the family pays a mini-
13 mum monthly rent of up to \$25;

14 (3) with respect to housing assisted under other
15 programs for rental assistance under section 8 of
16 such Act, the Secretary shall require each family
17 who is assisted under such program to pay a mini-
18 mum monthly rent of up to \$25; and

19 (4) public housing agencies shall require each
20 family who is assisted under the public housing pro-
21 gram (including public housing for Indian families)
22 to pay a minimum monthly rent of up to \$25.

23 SEC. 201. EXTENDERS.—(a) PUBLIC HOUSING FUND-
24 ING FLEXIBILITY.—Section 201(a)(2) of the Departments of
25 Veterans Affairs and Housing and Urban Development, and

1 *Independent Agencies Appropriations Act, 1996 is amended*
2 *by striking “1996” and inserting “1997”.*

3 (b) *ONE-FOR-ONE REPLACEMENT OF PUBLIC AND IN-*
4 *DIAN HOUSING.*—Section 1002(d) of Public Law 104–19 is
5 *amended by striking “before September 30, 1996” and in-*
6 *serting “on or before September 30, 1997”.*

7 (c) *PUBLIC AND ASSISTED HOUSING RENTS, INCOME*
8 *ADJUSTMENTS, AND PREFERENCES.*—(1) Section 402(a) of
9 *the Balanced Budget Downpayment Act, I is amended by*
10 *inserting after “1995” the following: “, and effective for fis-*
11 *cal year 1997”.*

12 (2) Section 402(f) of such Act is amended by striking
13 *“fiscal year 1996” and inserting “fiscal years 1996 and*
14 *1997”.*

15 (3) *The second sentence of section 230 of the Depart-*
16 *ments of Veterans Affairs and Housing and Urban Develop-*
17 *ment, and Independent Agencies Appropriations Act, 1996*
18 *is amended by inserting before the period the following:*
19 *“during the entire time the family receives assistance under*
20 *the United States Housing Act of 1937”.*

21 (d) *APPLICABILITY TO IHAS.*—In accordance with
22 *section 201(b)(2) of the United States Housing Act of 1937,*
23 *the amendments made by subsections (a), (b), and (c) shall*
24 *apply to public housing developed or operated pursuant to*

1 *a contract between the Secretary of Housing and Urban De-*
2 *velopment and an Indian housing authority.*

3 (e) *STREAMLINING SECTION 8 TENANT-BASED ASSIST-*
4 *ANCE.—Section 203(d) of the Departments of Veterans Af-*
5 *fairs and Housing and Urban Development, and Independ-*
6 *ent Agencies Appropriations Act, 1996 is amended by strik-*
7 *ing “fiscal year 1996” and inserting “fiscal years 1996 and*
8 *1997”.*

9 (f) *SECTION 8 FAIR MARKET RENTALS AND DELAY IN*
10 *REISSUANCE.—(1) The first sentence of section 403(a) of*
11 *the Balanced Budget Downpayment Act, I, is amended by*
12 *striking “1996” and inserting “1997”.*

13 (2) *Section 403(c) of such Act is amended—*

14 (A) *by striking “fiscal year 1996” and inserting*
15 *“fiscal years 1996 and 1997”; and*

16 (B) *by inserting before the semicolon the follow-*
17 *ing: “for assistance made available during fiscal year*
18 *1996 and October 1, 1997 for assistance made avail-*
19 *able during fiscal year 1997”.*

20 (g) *SECTION 8 RENT ADJUSTMENTS.—Section*
21 *8(c)(2)(A) of the United States Housing Act of 1937 is*
22 *amended—*

23 (1) *in the third sentence by inserting “, fiscal*
24 *year 1996 prior to April 26, 1996, and fiscal year*
25 *1997” after “1995”;*

1 (2) *in the fourth sentence, by striking “For” and*
2 *inserting “Except for assistance under the certificate*
3 *program, for”;*

4 (3) *after the fourth sentence, by inserting the fol-*
5 *lowing new sentence: “In the case of assistance under*
6 *the certificate program, 0.01 shall be subtracted from*
7 *the amount of the annual adjustment factor (except*
8 *that the factor shall not be reduced to less than 1.0),*
9 *and the adjusted rent shall not exceed the rent for a*
10 *comparable unassisted unit of similar quality, type,*
11 *and age in the market area.”; and*

12 (4) *in the last sentence, by—*

13 (A) *striking “sentence” and inserting “two*
14 *sentences”;* and

15 (B) *inserting “, fiscal year 1996 prior to*
16 *April 26, 1996, and fiscal year 1997” after*
17 *“1995”.*

18 SEC. 202. ADMINISTRATIVE FEES.—Notwithstand-
19 ing section 8(q) of the United States Housing Act of 1937,
20 as amended—

21 (a) The Secretary shall establish fees for the cost of
22 administering the certificate, voucher and moderate reha-
23 bilitation programs.

24 (1)(A) For fiscal year 1997, the fee for each
25 month for which a dwelling unit is covered by an as-

1 sistance contract shall be 7.5 percent of the base
2 amount, adjusted as provided herein, in the case of
3 an agency that, on an annual basis, is administering
4 a program of no more than 600 units, and 7 percent
5 of the base amount, adjusted as provided herein, for
6 each additional unit above 600.

7 (B) The base amount shall be the higher of—

8 (i) the fair market rental for fiscal year
9 1993 for a 2-bedroom existing rental dwelling
10 unit in the market area of the agency; and

11 (ii) such fair market rental for fiscal year
12 1994, but not more than 103.5 percent of the
13 amount determined under clause (i).

14 (C) The base amount shall be adjusted to re-
15 flect changes in the wage data or other objectively
16 measurable data that reflect the costs of administer-
17 ing the program during fiscal year 1996; except that
18 the Secretary may require that the base amount be
19 not less than a minimum amount and not more than
20 a maximum amount.

21 (2) For subsequent fiscal years, the Secretary
22 shall publish a notice in the Federal Register, for
23 each geographic area, establishing the amount of the
24 fee that would apply for the agencies administering
25 the program, based on changes in wage data or

1 other objectively measurable data that reflect the
2 cost of administering the program, as determined by
3 the Secretary.

4 (3) The Secretary may increase the fee if nec-
5 essary to reflect higher costs of administering small
6 programs and programs operating over large geo-
7 graphic areas.

8 (4) The Secretary may decrease the fee for
9 PHA-owned units.

10 (b) Beginning in fiscal year 1997 and thereafter, the
11 Secretary shall also establish reasonable fees (as deter-
12 mined by the Secretary) for—

13 (1) the costs of preliminary expenses, in the
14 amount of \$500, for a public housing agency, but
15 only in the first year it administers a tenant-based
16 assistance program under the United States Hous-
17 ing Act of 1937 and only if, immediately before the
18 effective date of this Act, it was not administering
19 a tenant-based assistance program under the 1937
20 Act (as in effect immediately before the effective
21 date of this Act), in connection with its initial incre-
22 ment of assistance received;

23 (2) the costs incurred in assisting families who
24 experience difficulty (as determined by the Sec-

1 retary) in obtaining appropriate housing under the
2 program; and

3 (3) extraordinary costs approved by the Sec-
4 retary.

5 SEC. 203. SINGLE FAMILY ASSIGNMENT PRO-
6 GRAM.—Section 407(c) of the Balanced Budget Downpay-
7 ment Act, I (12 U.S.C. 1710 note), is amended by striking
8 “October 1, 1996” and inserting “October 1, 1997”.

9 SEC. 204. FLEXIBLE AUTHORITY.—During fiscal
10 year 1997 and fiscal years thereafter, the Secretary may
11 manage and dispose of multifamily properties owned by
12 the Secretary and multifamily mortgages held by the Sec-
13 retary on such terms and conditions as the Secretary may
14 determine, notwithstanding any other provision of law.

15 **(35)**SEC. 205. *USE OF AVAILABLE FUNDING FOR*
16 *HOMEOWNERSHIP.*—Up to \$20,000,000 of amounts of unob-
17 ligated balances that are or become available from the Nehe-
18 miah Housing Opportunity Grant program, repealed under
19 section 289(b) of the Cranston-Gonzalez National Affordable
20 Housing Act, Public Law 101–625, shall be available for
21 use for activities relating to promotion and implementation
22 of homeownership in targeted geographic areas, as deter-
23 mined by the Secretary.

24 **(36)**SEC. 206. *DEBT FORGIVENESS.*—The Secretary
25 of Housing and Urban Development shall cancel the indebt-

1 edness of the Greene County Rural Health Center relating
2 to a loan received under the Public Facility Loan program
3 to establish the health center (Loan #Mis-22-PFL0096).
4 The Greene County Rural Health Center is hereby relieved
5 of all liability to the Federal Government for such loan and
6 any fees and charges payable in connection with such loan.

7 **(37)**SEC. 207. FLEXIBLE SUBSIDY FUND.—From the
8 fund established by section 236(g) of the National Housing
9 Act, as amended, all uncommitted balances of excess rental
10 charges as of September 30, 1996, and any collection during
11 fiscal year 1997, shall be transferred, as authorized under
12 such section, to the fund authorized under section 201(j)
13 of the Housing and Community Development Amendments
14 of 1978, as amended.

15 **(38)**SEC. 208. RENTAL HOUSING ASSISTANCE.—The
16 limitation otherwise applicable to the maximum payments
17 that may be required in any fiscal year by all contracts
18 entered into under section 236 of the National Housing Act
19 (12 U.S.C. 1715z-1) is reduced in fiscal year 1997 by not
20 more than \$2,000,000 in uncommitted balances of author-
21 izations provided for this purpose in appropriations Acts.

22 **(39)**SEC. 209. D.C. MODERNIZATION FUNDING.—Not-
23 withstanding the provisions of section 14(k)(5)(D) of the
24 United States Housing Act of 1937, the withheld mod-
25 ernization funds that became credited in fiscal years 1993,

1 1994 and 1995, due to the troubled status of the former De-
2 partment of Public and Assisted Housing of the District
3 of Columbia, shall be made available without diminution
4 to its successor, the District of Columbia Housing Author-
5 ity, at such time between the effective date of this Act and
6 the end of fiscal year 1998 as the District of Columbia
7 Housing Authority is no longer deemed “mod-troubled”
8 under section 6(j)(2)(A)(i) of such Act; after fiscal year
9 1998, the District of Columbia Housing Authority shall be-
10 come subject to the provisions of section 14(k)(5)(D) of such
11 Act should it remain mod-troubled.

12 **(40)**SEC. 210. FINANCING ADJUSTMENT FACTORS.—
13 Fifty per centum of the amounts of budget authority, or
14 in lieu thereof 50 per centum of the cash amounts associated
15 with such budget authority, that are recaptured from
16 projects described in section 1012(a) of the Stewart B.
17 McKinney Homeless Assistance Amendments Act of 1988
18 (Public Law 100–628, 102 Stat. 3224, 3268) shall be re-
19 scinded, or in the case of cash, shall be remitted to the
20 Treasury, and such amounts of budget authority or cash
21 recaptured and not rescinded or remitted to the Treasury
22 shall be used by State housing finance agencies or local gov-
23 ernments or local housing agencies with projects approved
24 by the Secretary of Housing and Urban Development for

1 *which settlement occurred after January 1, 1992, in accord-*
2 *ance with such section.*

3 **(41)SEC. 211. SECTION 8 CONTRACT RENEWAL AUTHORITY.**

4 *(a) DEFINITIONS.—For purposes of this section—*

5 *(1) the term “expiring contract” means a con-*
6 *tract for project-based assistance under section 8 of*
7 *the United States Housing Act of 1937 that expires*
8 *during fiscal year 1997;*

9 *(2) the term “family” has the same meaning as*
10 *in section 3(b) of the United States Housing Act of*
11 *1937;*

12 *(3) the term “multifamily housing project”*
13 *means a property consisting of more than 4 dwelling*
14 *units that is covered in whole or in part by a con-*
15 *tract for project-based assistance under section 8 of*
16 *the United States Housing Act of 1937;*

17 *(4) the term “owner” has the same meaning as*
18 *in section 8(f) of the United States Housing Act of*
19 *1937;*

20 *(5) the term “project-based assistance” means*
21 *rental assistance under section 8 of the United States*
22 *Housing Act of 1937 that is attached to a multifa-*
23 *mily housing project;*

1 (6) *the term “public agency” means a State*
2 *housing finance agency, a local housing agency, or*
3 *other agency with a public purpose and status;*

4 (7) *the term “Secretary” means the Secretary of*
5 *Housing and Urban Development; and*

6 (8) *the term “tenant-based assistance” has the*
7 *same meaning as in section 8(f) of the United States*
8 *Housing Act of 1937.*

9 **(b) SECTION 8 CONTRACT RENEWAL AUTHORITY.—**

10 (1) *IN GENERAL.—Notwithstanding section*
11 *405(a) of the Balanced Budget Downpayment Act, I,*
12 *upon the request of the owner of a multifamily hous-*
13 *ing project that is covered by an expiring contract,*
14 *the Secretary shall use amounts made available for*
15 *the renewal of assistance under section 8 of the Unit-*
16 *ed States Housing Act of 1937 to renew the expiring*
17 *contract as project-based assistance for a period of not*
18 *more than 1 year, at rent levels that are equal to*
19 *those under the expiring contract as of the date on*
20 *which the contract expires, only if those rent levels do*
21 *not exceed 120 percent of fair market rent for the*
22 *market area in which the project is located.*

23 (2) *EXEMPTION FOR STATE AND LOCAL HOUSING*
24 *AGENCY PROJECTS.—Notwithstanding paragraph (1),*
25 *upon the expiration of an expiring contract with rent*

1 *levels that exceed the percentage described in that*
2 *paragraph, if the Secretary determines that the pri-*
3 *mary financing or mortgage insurance for the multi-*
4 *family housing project that is covered by that expir-*
5 *ing contract was provided by a public agency, the*
6 *Secretary shall, upon the request of the public agency,*
7 *renew the expiring contract—*

8 *(A) for a period of not more than 1 year;*

9 *and*

10 *(B) at rent levels that are equal to those*
11 *under the expiring contract as of the date on*
12 *which the contract expires.*

13 *(3) INELIGIBLE CONTRACTS.—*

14 *(A) PARTICIPATION IN DEMONSTRATION.—*

15 *For contracts covering a multifamily housing*
16 *project that expire during fiscal year 1997 with*
17 *rent levels that exceed the percentage described in*
18 *paragraph (1), the Secretary shall, at the request*
19 *of the owner of the project, include that multi-*
20 *family housing project in the demonstration pro-*
21 *gram under section 212 of this Act. The Sec-*
22 *retary shall ensure, to the maximum extent prac-*
23 *ticable, that a project in the demonstration is*
24 *maintained as affordable for low-income families*
25 *for the maximum feasible period of time.*

1 (B) *EFFECT OF MATERIAL ADVERSE AC-*
2 *TIONS OR OMISSIONS.*—*Notwithstanding para-*
3 *graph (1) or any other provision of law, the Sec-*
4 *retary shall not renew an expiring contract if*
5 *the Secretary determines that the owner of the*
6 *multifamily housing project has engaged in ma-*
7 *terial adverse financial or managerial actions or*
8 *omissions with regard to the project (or with re-*
9 *gard to other similar projects if the Secretary de-*
10 *termines that such actions or omissions con-*
11 *stitute a pattern of mismanagement that would*
12 *warrant suspension or debarment by the Sec-*
13 *retary).*

14 (C) *TRANSFER OF PROPERTY.*—*For prop-*
15 *erties disqualified from the demonstration pro-*
16 *gram because of actions by an owner or pur-*
17 *chaser in accordance with subparagraph (B), the*
18 *Secretary shall establish procedures to facilitate*
19 *the voluntary sale or transfer of the property,*
20 *with a preference for tenant organizations and*
21 *tenant-endorsed community-based nonprofit and*
22 *public agency purchasers meeting such reason-*
23 *able qualifications as may be established by the*
24 *Secretary.*

1 (4) *TENANT PROTECTIONS.*—*To the extent pro-*
2 *vided in advance in an appropriations Act, any fam-*
3 *ily residing in an assisted unit in a multifamily*
4 *housing project that is covered by an expiring con-*
5 *tract that is not renewed, shall be offered tenant-based*
6 *assistance before the date on which the contract ex-*
7 *pires or is not renewed.*

8 **SEC. 212. FHA MULTIFAMILY DEMONSTRATION AUTHORITY.**

9 (a) *IN GENERAL.*—

10 (1) *REPEAL.*—

11 (A) *IN GENERAL.*—*Section 210 of the De-*
12 *partments of Veterans Affairs and Housing and*
13 *Urban Development and Independent Agencies*
14 *Appropriations Act, 1996 (110 Stat. 1321) is re-*
15 *pealed.*

16 (B) *EXCEPTION.*—*Notwithstanding the re-*
17 *peal under subparagraph (A), amounts made*
18 *available under section 210(f) the Departments*
19 *of Veterans Affairs and Housing and Urban De-*
20 *velopment and Independent Agencies Appropria-*
21 *tions Act, 1996 shall remain available for the*
22 *demonstration program under this section*
23 *through the end of fiscal year 1997.*

24 (2) *SAVINGS PROVISIONS.*—*Nothing in this sec-*
25 *tion shall be construed to affect any commitment en-*

1 *tered into before the date of enactment of this Act*
2 *under the demonstration program under section 210*
3 *of the Departments of Veterans Affairs and Housing*
4 *and Urban Development and Independent Agencies*
5 *Appropriations Act, 1996.*

6 (3) *DEFINITIONS.—For purposes of this sec-*
7 *tion—*

8 (A) *the term “affordable” means, with re-*
9 *spect to a dwelling unit, a unit for which the*
10 *rents are restricted to the rent levels established*
11 *under a mortgage restructuring;*

12 (B) *the term “demonstration program”*
13 *means the program established under subsection*
14 *(b);*

15 (C) *the term “designee” means a third-*
16 *party public agency that enters into an arrange-*
17 *ment with the Secretary under subsection (b)(3);*

18 (D) *the term “expiring contract” means a*
19 *contract for project-based assistance under sec-*
20 *tion 8 of the United States Housing Act of 1937*
21 *that expires during fiscal year 1997;*

22 (E) *the term “family” has the same mean-*
23 *ing as in section 3(b) of the United States Hous-*
24 *ing Act of 1937;*

1 (F) the term “multifamily housing project”
2 means a property consisting of more than 4
3 dwelling units that is covered in whole or in
4 part by a contract for project-based assistance;

5 (G) the term “owner” has the same meaning
6 as in section 8(f) of the United States Housing
7 Act of 1937;

8 (H) the term “project-based assistance”
9 means rental assistance under section 8 of the
10 United States Housing Act of 1937 that is at-
11 tached to a multifamily housing project;

12 (I) the term “Secretary” means the Sec-
13 retary of Housing and Urban Development; and

14 (J) the term “tenant-based assistance” has
15 the same meaning as in section 8(f) of the Unit-
16 ed States Housing Act of 1937.

17 (b) DEMONSTRATION AUTHORITY.—

18 (1) IN GENERAL.—The Secretary shall admin-
19 ister a demonstration program with respect to multi-
20 family projects—

21 (A) whose owners agree to participate;

22 (B) with rents on units assisted under sec-
23 tion 8 of the United States Housing Act of 1937
24 that are, in the aggregate, in excess of 120 per-

1 *cent of the fair market rent of the market area*
2 *in which the project is located; and*

3 (C) *the mortgages of which are insured*
4 *under the National Housing Act.*

5 (2) *PURPOSE.—The demonstration program*
6 *shall be designed to test the feasibility and desirabil-*
7 *ity of—*

8 (A) *ensuring, to the maximum extent prac-*
9 *ticable, that the debt service and operating ex-*
10 *penses, including adequate reserves, attributable*
11 *to such multifamily projects can be supported at*
12 *the comparable market rent with or without*
13 *mortgage insurance under the National Housing*
14 *Act and with or without additional subsidies;*

15 (B) *utilizing project-based assistance, while*
16 *taking into account the capital needs of the*
17 *projects and the need for assistance to low- and*
18 *very low-income families in such projects; and*

19 (C) *preserving low-income rental housing*
20 *affordability and availability while reducing the*
21 *long-term cost of project-based assistance.*

22 (3) *DESIGNEES.—In carrying out the dem-*
23 *onstration program, the Secretary may enter into ar-*
24 *rangements with one or more third-party public enti-*
25 *ties, under which the Secretary may provide for the*

1 *assumption by the designee (by delegation, by con-*
2 *tract, or otherwise) of some or all of the functions, ob-*
3 *ligations, and benefits of the Secretary.*

4 *(c) GOALS.—*

5 *(1) IN GENERAL.—The Secretary shall carry out*
6 *the demonstration program in a manner that will*
7 *protect the financial interests of the Federal Govern-*
8 *ment through debt restructuring and subsidy reduc-*
9 *tion and, in the least costly fashion, address the goals*
10 *of—*

11 *(A) maintaining existing affordable housing*
12 *stock in a decent, safe, and sanitary condition;*

13 *(B) minimizing the involuntary displace-*
14 *ment of tenants;*

15 *(C) taking into account housing market*
16 *conditions;*

17 *(D) encouraging responsible ownership and*
18 *management of property;*

19 *(E) minimizing any adverse income tax*
20 *impact on property owners; and*

21 *(F) minimizing any adverse impacts on*
22 *residential neighborhoods and local communities.*

23 *(2) BALANCE OF COMPETING GOALS.—In deter-*
24 *mining the manner in which a mortgage is to be re-*
25 *structured or a subsidy reduced under this subsection,*

1 *the Secretary may balance competing goals relating to*
2 *individual projects in a manner that will further the*
3 *purposes of this section.*

4 *(d) JOINT VENTURE ARRANGEMENTS.—*

5 *(1) IN GENERAL.—In carrying out the dem-*
6 *onstration program, the Secretary may enter into*
7 *joint venture arrangements with designees, under*
8 *which the Secretary may provide for the assumption*
9 *by the third parties (by delegation, by contract, or*
10 *otherwise) of some or all of the functions, obligations,*
11 *and benefits of the Secretary.*

12 *(2) PREFERENCE.—In entering into any ar-*
13 *rangement under this subsection, the Secretary shall*
14 *give preference to State housing finance agencies and*
15 *local housing agencies to act as designees to the extent*
16 *such agencies are determined to be qualified by the*
17 *Secretary.*

18 *(3) PUBLIC AGENCIES.—Each joint venture ar-*
19 *rangement entered into under this subsection shall in-*
20 *clude a public agency as the primary partner.*

21 *(4) DESIGNEE PARTNERSHIPS.—For purposes of*
22 *any joint venture arrangement under this subsection,*
23 *designees are encouraged to develop partnerships with*
24 *each other, and to contract or subcontract with other*
25 *entities, including—*

1 (A) *public housing agencies;*

2 (B) *financial institutions;*

3 (C) *mortgage servicers;*

4 (D) *nonprofit and for-profit housing orga-*
5 *nizations;*

6 (E) *the Federal National Mortgage Associa-*
7 *tion;*

8 (F) *the Federal Home Loan Mortgage Cor-*
9 *poration;*

10 (G) *Federal Home Loan Banks; and*

11 (H) *other State or local mortgage insurance*
12 *companies or bank lending consortia.*

13 (e) *LONG-TERM AFFORDABILITY.*—*After the renewal of*
14 *a section 8 contract pursuant to a restructuring under this*
15 *section, the owner shall accept each offer to renew the section*
16 *8 contract, for a period of 20 years from the date of the*
17 *renewal under the demonstration, if the offer to renew is*
18 *on terms and conditions, as agreed to by the Secretary or*
19 *designee and the owner under a restructuring.*

20 (f) *PROCEDURES.*—

21 (1) *NOTICE OF PARTICIPATION IN DEMONSTRA-*
22 *TION.*—*Not later than 45 days before the date of expi-*
23 *ration of an expiring contract (or such later date, as*
24 *determined by the Secretary, for good cause), the*
25 *owner of the multifamily housing project covered by*

1 *that expiring contract shall notify the Secretary or*
2 *designee of the owner's intent to participate in the*
3 *demonstration program.*

4 (2) *DEMONSTRATION CONTRACT.*—*Upon receipt*
5 *of a notice under paragraph (1), the owner and the*
6 *Secretary or designee shall enter into a demonstration*
7 *contract, which shall provide for initial section 8*
8 *project-based rents at the same rent levels as those*
9 *under the expiring contract or, if practical, the budg-*
10 *et-based rent to cover debt service, reasonable operat-*
11 *ing expenses (including reasonable and appropriate*
12 *services), and a reasonable return on equity, as deter-*
13 *mined solely by the Secretary. The demonstration*
14 *contract shall be for the minimum term necessary for*
15 *the rents and mortgages of the multifamily housing*
16 *project to be restructured under the demonstration*
17 *program.*

18 (g) *HUD-OWNED AND HUD-HELD MORTGAGES.*—*For*
19 *purposes of carrying out the demonstration program—*

20 (1) *the Secretary may manage and dispose of*
21 *multifamily properties owned by the Secretary and*
22 *multifamily mortgages held by the Secretary, on such*
23 *terms and conditions as the Secretary may determine,*
24 *without regard to any other provision of law; and*

1 (2) *as provided under subsection (b)(3), the Sec-*
2 *retary may delegate to one or more designees the au-*
3 *thority to carry out some or all of the functions and*
4 *responsibilities of the Secretary in connection with*
5 *mortgages held by the Secretary under the National*
6 *Housing Act.*

7 (h) *DEMONSTRATION ACTIONS.—For purposes of car-*
8 *rying out the demonstration program, and in order to en-*
9 *sure that contract rights are not abrogated, subject to such*
10 *third party consents as are necessary (if any), including*
11 *consent by the Government National Mortgage Association*
12 *if it owns a mortgage insured by the Secretary, consent by*
13 *an issuer under the mortgage-backed securities program of*
14 *the Association, subject to the responsibilities of the issuer*
15 *to its security holders and the Association under such pro-*
16 *gram, and consent by parties to any contractual agreement*
17 *which the Secretary proposes to modify or discontinue, the*
18 *Secretary or, except with respect to paragraph (2), designee,*
19 *shall take not less than 1 of the actions specified in para-*
20 *graphs (6), (7), and (8) and may take any of the following*
21 *actions:*

22 (1) *REMOVAL OF RESTRICTIONS.—*

23 (A) *IN GENERAL.—Notwithstanding any*
24 *other provision of law, and subject to the agree-*
25 *ment of the owner of the project and after con-*

1 *sultation with the tenants of the project, the Sec-*
2 *retary or designee may remove, relinquish, extin-*
3 *guish, modify, or agree to the removal of any*
4 *mortgage, regulatory agreement, project-based as-*
5 *stance contract, use agreement, or restriction*
6 *that had been imposed or required by the Sec-*
7 *retary, including restrictions on distributions of*
8 *income which the Secretary or designee deter-*
9 *mines would interfere with the ability of the*
10 *project to operate without above-market rents.*

11 *(B) ACCUMULATED RESIDUAL RECEIPTS.—*

12 *The Secretary or designee may require an owner*
13 *of a property assisted under the section 8 new*
14 *construction/substantial rehabilitation program*
15 *under the United States Housing Act of 1937 to*
16 *apply any accumulated residual receipts toward*
17 *effecting the purposes of this section.*

18 *(2) REINSURANCE.—With respect to not more*
19 *than 5,000 units during fiscal year 1997, the Sec-*
20 *retary may enter into contracts to purchase reinsur-*
21 *ance, or enter into participations or otherwise trans-*
22 *fer economic interest in contracts of insurance or in*
23 *the premiums paid, or due to be paid, on such insur-*
24 *ance to the designee, on such terms and conditions as*
25 *the Secretary may determine.*

1 (3) *INDUCE PARTICIPATION OF THIRD PAR-*
2 *TIES.—Notwithstanding any other provision of law,*
3 *of amounts made available under appropriations*
4 *Acts, including amounts made available under this*
5 *section, the Secretary or designee may enter into such*
6 *agreements, provide such concessions, incur such costs,*
7 *make such grants (including grants to cover all or a*
8 *portion of the rehabilitation costs for a project) and*
9 *other payments, and provide other valuable consider-*
10 *ation, as may reasonably be necessary to induce par-*
11 *ticipation of owners, lenders, servicers, third parties,*
12 *and other entities in the demonstration program, in-*
13 *cluding the use of fees for contract administration*
14 *under section 8 of the United States Housing Act of*
15 *1937 for purposes of any contract restructured or re-*
16 *newed under the demonstration program.*

17 (4) *FULL OR PARTIAL PAYMENT OF CLAIM.—Not-*
18 *withstanding any other provision of law, the Sec-*
19 *retary may make a full payment of claim or partial*
20 *payment of claim prior to default.*

21 (5) *CREDIT ENHANCEMENT.—*

22 (A) *IN GENERAL.—The Secretary or des-*
23 *ignee may provide FHA multifamily mortgage*
24 *insurance, reinsurance, or other credit enhance-*
25 *ment alternatives, including retaining the exist-*

1 *ing FHA mortgage insurance on a restructured*
2 *first mortgage at market value or using the mul-*
3 *tifamily risk-sharing mortgage programs, as pro-*
4 *vided under section 542 of the Housing and*
5 *Community Development Act of 1992.*

6 (B) *EFFECT OF LIMITATIONS.*—*Any limita-*
7 *tions on the number of units available for mort-*
8 *gage insurance under section 542 shall not apply*
9 *to insurance issued for purposes of the dem-*
10 *onstration program.*

11 (C) *MAXIMUM PERCENTAGE.*—*During fiscal*
12 *year 1997, not more than 10 percent of multi-*
13 *family housing projects with expiring contracts*
14 *may be restructured without FHA insurance,*
15 *unless otherwise agreed by the owner of a project.*

16 (D) *CREDIT SUBSIDY.*—*Subject to the fund-*
17 *ing restrictions under subsection (l), any credit*
18 *subsidy costs of providing mortgage insurance*
19 *shall be paid from the General Insurance Fund*
20 *and the Special Risk Insurance Fund.*

21 (6) *MORTGAGE RESTRUCTURING.*—

22 (A) *IN GENERAL.*—*The Secretary or des-*
23 *ignee may restructure mortgages to provide a re-*
24 *structured first mortgage to cover debt service*
25 *and operating expenses at the market rent, and*

1 *a second mortgage equal to the difference between*
2 *the restructured first mortgage and the mortgage*
3 *balance of the eligible multifamily housing*
4 *project at the time of restructuring.*

5 *(B) INTEREST RATE ON SECOND MORT-*
6 *GAGE.—The second mortgage shall bear interest*
7 *at a rate not to exceed the applicable Federal*
8 *rate for a term not to exceed 40 years.*

9 *(C) TIMING OF PAYMENTS.—If the first*
10 *mortgage remains outstanding, payments of in-*
11 *terest and principal on the second mortgage shall*
12 *be made from all excess project income only after*
13 *the payment of all reasonable and necessary op-*
14 *erating expenses (including deposits in a reserve*
15 *for replacement), debt service on the first mort-*
16 *gage, and such other expenditures as may be ap-*
17 *proved by the Secretary.*

18 *(D) ASSUMPTION OF SECOND MORTGAGE.—*
19 *The second mortgage shall be assumable by any*
20 *subsequent purchaser of the multifamily housing*
21 *project.*

22 *(E) DISPOSITION OF PROPERTY.—The bal-*
23 *ance of the principal and accrued interest due*
24 *under the second mortgage shall be fully payable*

1 upon disposition of the property, unless the
2 mortgage is assumed under subparagraph (D).

3 (F) *SECOND MORTGAGE REPAYMENT.*—The
4 owner shall begin repayment of the second mort-
5 gage upon full payment of the first mortgage in
6 equal monthly installments in an amount equal
7 to the monthly principal and interest payments
8 formerly paid under the first mortgage.

9 (G) *FAILURE TO COMPLY.*—The principal
10 and interest of a second mortgage shall be imme-
11 diately due and payable upon a finding by the
12 Secretary that an owner has failed to materially
13 comply with this section or any applicable re-
14 quirement of the United States Housing Act of
15 1937 in relation to the project at issue.

16 (H) *CREDIT SUBSIDY.*—Subject to the fund-
17 ing restrictions under subsection (l), any credit
18 subsidy costs of providing a second mortgage
19 shall be paid from the General Insurance Fund
20 and the Special Risk Insurance Fund.

21 (7) *DEBT FORGIVENESS.*—The Secretary or des-
22 ignee, for good cause and at the request of the owner
23 of a multifamily housing project, may forgive at the
24 time of the restructuring of a mortgage any portion
25 of a debt on the project that exceeds the market value

1 of the project. In exchange for debt forgiveness under
2 this paragraph, the project shall remain affordable to
3 low-income families for a period of 20 years, unless
4 otherwise provided by the Secretary.

5 (8) *BUDGET-BASED RENTS.*—During fiscal year
6 1997, the Secretary or designee may renew an expir-
7 ing contract, for a period of not more than 1 year,
8 at a budget-based rent that covers debt service, reason-
9 able operating expenses (including all reasonable and
10 appropriate services), and a reasonable return on eq-
11 uity, as determined solely by the Secretary, but that
12 does not exceed the rent levels under the expiring con-
13 tract. The Secretary may establish a preference under
14 the demonstration program for budget-based rents for
15 unique housing projects, such as projects designated
16 for occupancy by elderly families in rural areas.

17 (i) *COMMUNITY AND TENANT INPUT.*—In carrying out
18 this section, the Secretary shall develop procedures to pro-
19 vide appropriate and timely notice, including an oppor-
20 tunity for comment, to officials of the unit of general local
21 government affected, the community in which the project
22 is situated, and the tenants of the project.

23 (j) *LIMITATION ON DEMONSTRATION AUTHORITY.*—
24 The Secretary shall carry out the demonstration program
25 with respect to mortgages not to exceed 50,000 units.

1 (k) *PRIORITY FOR PARTICIPATION.*—*The Secretary or*
2 *designee shall give priority for participation in the dem-*
3 *onstration program to any owner of an eligible multifamily*
4 *housing project with an expiring contract for project-based*
5 *assistance.*

6 (l) *FUNDING.*—*In addition to the \$30,000,000 made*
7 *available under section 210 of the Departments of Veterans*
8 *Affairs and Housing and Urban Development and Inde-*
9 *pendent Agencies Appropriations Act, 1996 (110 Stat.*
10 *1321), for the costs (including any credit subsidy costs asso-*
11 *ciated with providing direct loans or mortgage insurance)*
12 *of modifying and restructuring loans held or guaranteed*
13 *by the Federal Housing Administration, as authorized*
14 *under this section, \$10,000,000, are hereby appropriated,*
15 *to remain available until September 30, 1998.*

16 (m) *REPORT TO CONGRESS.*—

17 (1) *IN GENERAL.*—

18 (A) *BIANNUAL REPORTS.*—*Not less than bi-*
19 *annually, the Secretary shall submit to the Con-*
20 *gress a report describing and assessing the pro-*
21 *grams carried out under the demonstration pro-*
22 *gram.*

23 (B) *FINAL REPORT.*—*Not later than 6*
24 *months after the end of the demonstration pro-*

1 *gram, the Secretary shall submit to the Congress*
2 *a final report on the demonstration program.*

3 (2) *CONTENTS.—Each report submitted under*
4 *paragraph (1) shall include—*

5 (A) *any findings and recommendations for*
6 *legislative action; and*

7 (B) *a description of the status of each mul-*
8 *tifamily housing project selected for the dem-*
9 *onstration program.*

10 (3) *CONTENTS OF FINAL REPORT.—The report*
11 *submitted under paragraph (1)(B) may include—*

12 (A) *with respect to each multifamily hous-*
13 *ing project participating in the demonstration*
14 *program, information relating to—*

15 (i) *the size of the project;*

16 (ii) *the geographic locations of the*
17 *project, by State and region;*

18 (iii) *the physical and financial condi-*
19 *tion of the project;*

20 (iv) *the occupancy profile of the*
21 *project, including the income, family size,*
22 *race, and ethnic origin of the tenants, and*
23 *the rents paid by those tenants;*

24 (v) *a description of actions undertaken*
25 *pursuant to this section, including a de-*

1 *scription of the effectiveness of such actions*
2 *and any impediments to the transfer or sale*
3 *of the projects;*

4 *(vi) a description of the extent to*
5 *which the demonstration program has dis-*
6 *placed tenants of the project;*

7 *(vii) a description of the impact to*
8 *which the demonstration program has af-*
9 *ected the localities and communities in*
10 *which the projects are located; and*

11 *(viii) a description of the extent to*
12 *which the demonstration program has af-*
13 *ected the owners of the projects; and*

14 *(B) a description of any of the functions*
15 *performed in connection with this section that*
16 *are transferred or contracted out to public or*
17 *private entities or to State entities.*

18 **(42)***SEC. 213. HAWAIIAN HOME LANDS.—Section*
19 *282 of the Cranston-Gonzalez National Affordable Housing*
20 *Act (42 U.S.C. 12832) is amended by adding at the end*
21 *the following new sentence: “The Secretary may waive this*
22 *section in connection with the use of funds made available*
23 *under this title on lands set aside under the Hawaiian*
24 *Homes Commission Act, 1920 (42 Stat. 108).”.*

1 **(43)**SEC. 214. INVOLUNTARY SEPARATIONS.—In
2 order to avoid or minimize the need for involuntary separa-
3 tions due to a reduction in force, departmental restructur-
4 ing, reorganization, transfer of function, or similar action
5 affecting the Department of Housing and Urban Develop-
6 ment, the Secretary shall establish a program under which
7 separation pay, subject to the availability of appropriated
8 funds, may be offered to encourage employees to separate
9 from service voluntarily, whether by retirement or resigna-
10 tion: Provided, That payments to individual employees
11 shall not exceed \$25,000: Provided further, That in addition
12 to any other payments which it is required to make under
13 subchapter III of chapter 83 or chapter 84 of title 5, United
14 States Code, HUD shall remit to the Office of Personnel
15 Management for deposit in the Treasury of the United
16 States to the credit of the Civil Service Retirement and Dis-
17 ability Fund on amount equal to 15 percent of the final
18 basic pay of each employee who is covered under subchapter
19 III of chapter 83 or chapter 84 of title 5 to whom a vol-
20 untary separation incentive has been paid under this para-
21 graph.

22 **(44)**SEC. 215. REQUIREMENT FOR HUD TO MAIN-
23 TAIN PUBLIC NOTICE AND COMMENT RULEMAKING.—The
24 Secretary of Housing and Urban Development shall main-
25 tain all current requirements under part 10 of the Depart-

1 *ment of Housing and Urban Development’s regulations (24*
2 *CFR part 10) with respect to the Department’s policies and*
3 *procedures for the promulgation and issuance of rules, in-*
4 *cluding the use of public participation in the rulemaking*
5 *process.*

6 **(45)SEC. 216. COMMUNITY DEVELOPMENT BLOCK GRANTS.**

7 *Section 102(a)(6)(D) of the Housing and Community*
8 *Development Act of 1974 (42 U.S.C. 5302(a)(6)(D)) is*
9 *amended—*

10 *(1) in clause (iv), by striking “or” at the end;*

11 *(2) in clause (v), by striking the period at the*
12 *end and inserting “; or”; and*

13 *(3) by adding at the end the following new*
14 *clause:*

15 *“(vi) has entered into a local cooperation*
16 *agreement with a metropolitan city that received*
17 *assistance under section 106 because of such clas-*
18 *sification, and has elected under paragraph (4)*
19 *to have its population included with the popu-*
20 *lation of the county for the purposes of qualify-*
21 *ing as an urban county, except that to qualify*
22 *as an urban county under this clause, the county*
23 *must—*

24 *“(I) have a combined population of not*
25 *less than 210,000, excluding any metropoli-*

1 *tan city located in the county that is not re-*
2 *linquishing its metropolitan city classifica-*
3 *tion, according to the 1990 decennial census*
4 *of the Bureau of the Census of the Depart-*
5 *ment of Commerce;*

6 *“(II) including any metropolitan cities*
7 *located in the county, have had a decrease*
8 *in population of 10,061 from 1992 to 1994,*
9 *according to the estimates of the Bureau of*
10 *the Census of the Department of Commerce;*
11 *and*

12 *“(III) have had a Federal naval instal-*
13 *lation that was more than 100 years old*
14 *closed by action of the Base Closure and Re-*
15 *alignment Commission appointed for 1993*
16 *under the Base Closure and Realignment*
17 *Act of 1990, directly resulting in a loss of*
18 *employment by more than 7,000 Federal*
19 *Government civilian employees and more*
20 *than 15,000 active duty military personnel,*
21 *which naval installation was located within*
22 *1 mile of an enterprise community des-*
23 *ignated by the Secretary pursuant to section*
24 *1391 of the Internal Revenue Code of 1986,*
25 *which enterprise community has a popu-*

1 *lation of not less than 20,000, according to*
2 *the 1990 decennial census of the Bureau of*
3 *the Census of the Department of Com-*
4 *merce.”.*

5 **(46)SEC. 217. FAIR HOUSING AND FREE SPEECH.**

6 *None of the amounts made available under this Act*
7 *may be used during fiscal year 1997 to investigate or pros-*
8 *ecute under the Fair Housing Act any otherwise lawful ac-*
9 *tivity engaged in by one or more persons, including the fil-*
10 *ing or maintaining of a nonfrivolous legal action, that is*
11 *engaged in solely for the purpose of achieving or preventing*
12 *action by a government official or entity, or a court of com-*
13 *petent jurisdiction.*

14 **(47)SEC. 218. MORTGAGE INSURANCE.**

15 *None of the funds appropriated under this Act may*
16 *be used to give final approval to any proposal to provide*
17 *mortgage insurance having a value in excess of*
18 *\$250,000,000 for any project financing for which may be*
19 *guaranteed under section 220 of the National Housing Act*
20 *(12 U.S.C. 1715k), unless the Secretary has transmitted to*
21 *the President pro tempore of the Senate and the Speaker*
22 *of the House the Secretary’s justification for such guarantee*
23 *and no final approval shall be given until the justification*
24 *has laid before the Congress for a period of not less than*
25 *30 days.*

1 TITLE III
2 INDEPENDENT AGENCIES
3 AMERICAN BATTLE MONUMENTS COMMISSION
4 SALARIES AND EXPENSES
5 For necessary expenses, not otherwise provided for,
6 of the American Battle Monuments Commission, including
7 the acquisition of land or interest in land in foreign coun-
8 tries; purchases and repair of uniforms for caretakers of
9 national cemeteries and monuments outside of the United
10 States and its territories and possessions; rent of office
11 and garage space in foreign countries; purchase (one for
12 replacement only) and hire of passenger motor vehicles;
13 and insurance of official motor vehicles in foreign coun-
14 tries, when required by law of such countries;
15 \$22,265,000, to remain available until expended: *Pro-*
16 *vided*, That where station allowance has been authorized
17 by the Department of the Army for officers of the Army
18 serving the Army at certain foreign stations, the same al-
19 lowance shall be authorized for officers of the Armed
20 Forces assigned to the Commission while serving at the
21 same foreign stations, and this appropriation is hereby
22 made available for the payment of such allowance: *Pro-*
23 *vided further*, That when traveling on business of the Com-
24 mission, officers of the Armed Forces serving as members
25 or as Secretary of the Commission may be reimbursed for

1 expenses as provided for civilian members of the Commis-
2 sion: *Provided further*, That the Commission shall reim-
3 burse other Government agencies, including the Armed
4 Forces, for salary, pay, and allowances of personnel as-
5 signed to it.

6 DEPARTMENT OF THE TREASURY
7 COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS
8 COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS
9 FUND PROGRAM ACCOUNT

10 For grants, loans, and technical assistance to qualify-
11 ing community development lenders, and administrative
12 expenses of the Fund, \$45,000,000, to remain available
13 until September 30, 1998, of which \$8,000,000 may be
14 used for the cost of direct loans, and up to \$800,000 may
15 be used for administrative expenses to carry out the direct
16 loan program: *Provided*, That the cost of direct loans, in-
17 cluding the cost of modifying such loans, shall be as de-
18 fined in section 502 of the Congressional Budget Act of
19 1974: *Provided further*, That not more than \$19,400,000
20 of the funds made available under this heading may be
21 used for programs and activities authorized in section 114
22 of the Community Development Banking and Financial
23 Institutions Act of 1994.

1 CONSUMER PRODUCT SAFETY COMMISSION
 2 SALARIES AND EXPENSES

3 For necessary expenses of the Consumer Product
 4 Safety Commission, including hire of passenger motor ve-
 5 hicles, services as authorized by 5 U.S.C. 3109, but at
 6 rates for individuals not to exceed the per diem rate equiv-
 7 alent to the rate for GS-18, purchase of nominal awards
 8 to recognize non-Federal officials' contributions to Com-
 9 mission activities, and not to exceed \$500 for official re-
 10 ception and representation expenses, \$42,500,000.

11 CORPORATION FOR NATIONAL AND COMMUNITY SERVICE
 12 NATIONAL AND COMMUNITY SERVICE PROGRAMS
 13 OPERATING EXPENSES
 14 (INCLUDING TRANSFER OF FUNDS)

15 For necessary expenses for the Corporation for Na-
 16 tional and Community Service (referred to in the matter
 17 under this heading as the "Corporation") in carrying out
 18 programs, activities, and initiatives under the National
 19 and Community Service Act of 1990 (referred to in the
 20 matter under this heading as the "Act") (42 U.S.C. 12501
 21 et seq.), ~~(48) \$365,000,000~~ \$400,500,000, of which
 22 \$265,000,000 shall be available for obligation from Sep-
 23 tember 1, 1997, through September 30, 1998: *Provided,*
 24 That not more than \$25,000,000 shall be available for ad-
 25 ministrative expenses authorized under section 501(a)(4)

1 of the Act (42 U.S.C. 12671(a)(4)): *Provided further,*
2 That not more than \$2,500 shall be for official reception
3 and representation expenses: *Provided further,* That not
4 more than ~~(49)\$40,000,000~~ \$59,000,000, to remain avail-
5 able without fiscal year limitation, shall be transferred to
6 the National Service Trust account for educational awards
7 authorized under subtitle D of title I of the Act (42 U.S.C.
8 12601 et seq.): *Provided further,* That not more than
9 ~~(50)\$201,000,000~~ \$215,000,000 of the amount provided
10 under this heading shall be available for grants under the
11 National Service Trust program authorized under subtitle
12 C of title I of the Act (42 U.S.C. 12571 et seq.) (relating
13 to activities including the Americorps program)~~(51)~~, of
14 which not more than \$40,000,000 may be used to admin-
15 ister, reimburse or support any national service program
16 authorized under section 121(d)(2) of such Act (42 U.S.C.
17 12581(d)(2)): *Provided further,* That not more than
18 ~~(52)\$5,000,000~~ \$5,500,000 of the funds made available
19 under this heading shall be made available for the Points
20 of Light Foundation for activities authorized under title
21 III of the Act (42 U.S.C. 12661 et seq.): *Provided further,*
22 That no funds shall be available for national service pro-
23 grams run by Federal agencies authorized under section
24 121(b) of such Act (42 U.S.C. 12571(b)): *Provided fur-*
25 *ther,* That to the maximum extent feasible, funds appro-

1 priated in the preceding proviso shall be provided in a
2 manner that is consistent with the recommendations of
3 peer review panels in order to ensure that priority is given
4 to programs that demonstrate quality, innovation,
5 replicability, and sustainability: *Provided further*, That not
6 more than ~~(53)\$17,500,000~~ \$18,000,000 of the funds
7 made available under this heading shall be available for
8 the Civilian Community Corps authorized under subtitle
9 E of title I of the Act (42 U.S.C. 12611 et seq.): *Provided*
10 *further*, That not more than ~~(54)\$41,500,000~~
11 \$43,000,000 shall be available for school-based and com-
12 munity-based service-learning programs authorized under
13 subtitle B of title I of the Act (42 U.S.C. 12521 et seq.):
14 *Provided further*, That not more than \$30,000,000 shall
15 be available for quality and innovation activities author-
16 ized under subtitle H of title I of the Act (42 U.S.C.
17 12853 et seq.): *Provided further*, That not more than
18 \$5,000,000 shall be available for audits and other evalua-
19 tions authorized under section 179 of the Act (42 U.S.C.
20 12639): *Provided further*, That no funds from any other
21 appropriation, or from funds otherwise made available to
22 the Corporation, shall be used to pay for personnel com-
23 pensation and benefits, travel, or any other administrative
24 expense for the Board of Directors, the Office of the Chief
25 Executive Officer, the Office of the Managing Director,

1 the Office of the Chief Financial Officer, the Office of Na-
 2 tional and Community Service Programs, the Civilian
 3 Community Corps, or any field office or staff of the Cor-
 4 poration working on the National and Community Service
 5 or Civilian Community Corps programs: *Provided further*,
 6 That to the maximum extent practicable, the Corporation
 7 shall increase significantly the level of matching funds and
 8 in-kind contributions provided by the private sector, shall
 9 expand significantly the number of educational awards
 10 provided under subtitle D of title I, and shall reduce the
 11 total Federal costs per participant in all programs.

12 OFFICE OF INSPECTOR GENERAL

13 For necessary expenses of the Office of Inspector
 14 General in carrying out the provisions of the Inspector
 15 General Act of 1978, as amended, \$2,000,000.

16 COURT OF VETERANS APPEALS

17 SALARIES AND EXPENSES

18 For necessary expenses for the operation of the Unit-
 19 ed States Court of Veterans Appeals as authorized by 38
 20 U.S.C. sections 7251–7292, \$9,229,000 ~~(55)~~(increased
 21 by ~~\$1,411,000~~), of which ~~(56)~~~~\$634,000~~ \$700,000, to re-
 22 main available until September 30, 1998, shall be avail-
 23 able for the purpose of providing financial assistance as
 24 described, and in accordance with the process and report-

1 ing procedures set forth, under this heading in Public Law
2 102-227.

3 DEPARTMENT OF DEFENSE—CIVIL

4 CEMETERIAL EXPENSES, ARMY

5 SALARIES AND EXPENSES

6 For necessary expenses, as authorized by law, for
7 maintenance, operation, and improvement of Arlington
8 National Cemetery and Soldiers' and Airmen's Home Na-
9 tional Cemetery, including the purchase of one passenger
10 motor vehicle for replacement only, and not to exceed
11 \$1,000 for official reception and representation expenses,
12 \$11,600,000, to remain available until expended.

13 ENVIRONMENTAL PROTECTION AGENCY

14 SCIENCE AND TECHNOLOGY

15 For science and technology, including research and
16 development activities, which shall include research and
17 development activities under the Comprehensive Environ-
18 mental Response, Compensation, and Liability Act of
19 1980 (CERCLA), as amended; necessary expenses for per-
20 sonnel and related costs and travel expenses, including
21 uniforms, or allowances therefore, as authorized by 5
22 U.S.C. 5901-5902; services as authorized by 5 U.S.C.
23 3109, but at rates for individuals not to exceed the per
24 diem rate equivalent to the rate for GS-18; procurement
25 of laboratory equipment and supplies; other operating ex-

1 penses in support of research and development; construc-
2 tion, alteration, repair, rehabilitation and renovation of fa-
3 cilities, not to exceed \$75,000 per project,
4 ~~(57)\$540,000,000~~ (reduced by ~~\$1,500,000~~)
5 \$545,000,000, which shall remain available until Septem-
6 ber 30, 1998.

7 ENVIRONMENTAL PROGRAMS AND MANAGEMENT

8 For environmental programs and management, in-
9 cluding necessary expenses, not otherwise provided for, for
10 personnel and related costs and travel expenses, including
11 uniforms, or allowances therefore, as authorized by 5
12 U.S.C. 5901–5902; services as authorized by 5 U.S.C.
13 3109, but at rates for individuals not to exceed the per
14 diem rate equivalent to the rate for GS–18; hire of pas-
15 senger motor vehicles; hire, maintenance, and operation
16 of aircraft; purchase of reprints; library memberships in
17 societies or associations which issue publications to mem-
18 bers only or at a price to members lower than to subscrib-
19 ers who are not members; construction, alteration, repair,
20 rehabilitation, and renovation of facilities, not to exceed
21 \$75,000 per project; and not to exceed \$6,000 for official
22 reception and representation expenses,
23 ~~(58)\$1,703,000,000~~ (increased by ~~\$1,500,000~~)
24 \$1,713,000,000, which shall remain available until Septem-
25 ber 30, 1998.

1 OFFICE OF INSPECTOR GENERAL

2 For necessary expenses of the Office of Inspector
3 General in carrying out the provisions of the Inspector
4 General Act of 1978, as amended, and for construction,
5 alteration, repair, rehabilitation, and renovation of facili-
6 ties, not to exceed \$75,000 per project, \$28,500,000.

7 BUILDINGS AND FACILITIES

8 For construction, repair, improvement, extension, al-
9 teration, and purchase of fixed equipment or facilities of,
10 or for use by, the Environmental Protection Agency,
11 ~~(59)\$107,220,000~~ \$27,220,000, to remain available until
12 expended ~~(60):~~ *Provided*, That EPA is authorized to es-
13 tablish and construct a consolidated research facility at
14 Research Triangle Park, North Carolina, at a maximum
15 total construction cost of ~~\$232,000,000~~, and to obligate
16 such monies as are made available by this Act for this
17 purpose: *Provided further*, That EPA is authorized to con-
18 struct such facility through multi-year contracts incremen-
19 tally funded through appropriations hereafter made avail-
20 able for this project: *Provided further*, That, notwithstand-
21 ing the previous provisos, for monies obligated pursuant
22 to this authority, EPA may not obligate monies in excess
23 of those provided in advance in annual appropriations, and
24 such contracts shall clearly provide for this limitation.

1 HAZARDOUS SUBSTANCE SUPERFUND
2 (INCLUDING TRANSFER OF FUNDS)

3 For necessary expenses to carry out the Comprehen-
4 sive Environmental Response, Compensation, and Liabil-
5 ity Act of 1980 (CERCLA), as amended, including sec-
6 tions 111 (c)(3), (c)(5), (c)(6), and (e)(4) (42 U.S.C.
7 9611), and for construction, alteration, repair, rehabilita-
8 tion, and renovation of facilities, not to exceed \$75,000
9 per project; not to exceed ~~(61)\$2,201,200,000~~
10 \$1,394,245,000 (of which \$100,000,000 shall not become
11 available until September 1, 1997), to remain available
12 until expended, consisting of ~~(62)\$1,951,200,000~~
13 \$1,144,245,000 as authorized by section 517(a) of the
14 Superfund Amendments and Reauthorization Act of 1986
15 (SARA), as amended by Public Law 101–508, and
16 \$250,000,000 as a payment from general revenues to the
17 Hazardous Substance Superfund as authorized by section
18 517(b) of SARA, as amended by Public Law 101–508:
19 *Provided*, That funds appropriated under this heading
20 may be allocated to other Federal agencies in accordance
21 with section 111(a) of CERCLA: *Provided further*, That
22 \$11,000,000 of the funds appropriated under this heading
23 shall be transferred to the “Office of Inspector General”
24 appropriation to remain available until September 30,
25 1997: *Provided further*, That notwithstanding section

1 111(m) of CERCLA or any other provision of law, not
2 to exceed ~~(63)\$59,000,000~~ \$64,000,000 of the funds ap-
3 propriated under this heading shall be available to the
4 Agency for Toxic Substances and Disease Registry to
5 carry out activities described in sections 104(i), 111(c)(4),
6 and 111(c)(14) of CERCLA and section 118(f) of the
7 Superfund Amendments and Reauthorization Act of 1986:
8 *Provided further*, That \$35,000,000 of the funds appro-
9 priated under this heading shall be transferred to the
10 “Science and technology” appropriation to remain avail-
11 able until September 30, 1998: *Provided further*, That
12 none of the funds appropriated under this heading shall
13 be available for the Agency for Toxic Substances and Dis-
14 ease Registry to issue in excess of 40 toxicological profiles
15 pursuant to section 104(i) of CERCLA during fiscal year
16 1997~~(64)~~:~~*Provided further*, That \$861,000,000 of the~~
17 ~~funds appropriated under this heading shall become avail-~~
18 ~~able for obligation only upon the enactment of future ap-~~
19 ~~propriations legislation that specifically makes these funds~~
20 ~~available for obligation~~~~(65)~~: *Provided further*, That
21 \$1,200,000 of the funds appropriatated under this head-
22 ing shall be used by the Agency for Toxic Substances and
23 Disease Registry to conduct a health effects study of the
24 Toms River Cancer Cluster in the Toms River area in the
25 State of New Jersey.

1 LEAKING UNDERGROUND STORAGE TANK TRUST FUND
2 (INCLUDING TRANSFER OF FUNDS)

3 For necessary expenses to carry out leaking under-
4 ground storage tank cleanup activities authorized by sec-
5 tion 205 of the Superfund Amendments and Reauthoriza-
6 tion Act of 1986, and for construction, alteration, repair,
7 rehabilitation, and renovation of facilities, not to exceed
8 \$75,000 per project, ~~(66)\$46,500,000 (increased by~~
9 ~~\$20,000,000)~~ \$60,000,000, to remain available until ex-
10 pended: *Provided*, That no more than \$7,000,000 shall be
11 available for administrative expenses: *Provided further*,
12 That \$577,000 shall be transferred to the “Office of In-
13 spector General” appropriation to remain available until
14 September 30, 1997.

15 OIL SPILL RESPONSE
16 (INCLUDING TRANSFER OF FUNDS)

17 For expenses necessary to carry out the Environ-
18 mental Protection Agency’s responsibilities under the Oil
19 Pollution Act of 1990, \$15,000,000, to be derived from
20 the Oil Spill Liability trust fund, and to remain available
21 until expended: *Provided*, That not more than \$8,000,000
22 of these funds shall be available for administrative ex-
23 penses.

1 STATE AND TRIBAL ASSISTANCE GRANTS

2 For environmental programs and infrastructure as-
3 sistance, including capitalization grants for State revolv-
4 ing funds and performance partnership grants,
5 ~~(67)\$2,768,207,000~~ \$2,815,207,000, to remain available
6 until expended, of which ~~(68)\$1,800,000,000~~
7 \$1,976,000,000 shall be for making capitalization grants
8 for State revolving funds to support water infrastructure
9 financing; \$100,000,000 for architectural, engineering,
10 planning, design, construction and related activities in
11 connection with the construction of high priority water
12 and wastewater facilities in the area of the United States-
13 Mexico Border, after consultation with the appropriate
14 border commission; \$50,000,000 for grants to the State
15 of Texas, which shall be matched by an equal amount of
16 State funds from State resources, for the purpose of im-
17 proving wastewater treatment for colonias; \$15,000,000
18 for grants to the State of Alaska subject to an appropriate
19 cost share as determined by the Administrator, to address
20 ~~(69)water supply and~~ wastewater infrastructure needs of
21 rural and Alaska Native Villages; ~~(70)\$129,000,000 for~~
22 making grants for the construction of wastewater treat-
23 ment facilities and the development of groundwater in ac-
24 cordance with the terms and conditions specified for such
25 grants in the Report accompanying this Act; and

1 \$674,207,000 for grants to States and federally recog-
2 nized tribes for multi-media or single media pollution pre-
3 vention, control and abatement and related activities pur-
4 suant to the provisions set forth under this heading in
5 Public Law 104-134: *Provided, That, from funds appro-*
6 *priated under this heading, the Administrator may make*
7 *grants to federally recognized Indian governments for the*
8 *development of multi-media environmental programs:*
9 **(71)***Provided further, That notwithstanding any other*
10 *provision of law, beginning in fiscal year 1997 the Admin-*
11 *istrator may make grants to States, from funds available*
12 *for obligation in the State under title II of the Federal*
13 *Water Pollution Control Act, as amended, for administering*
14 *the completion and closeout of the State's construction*
15 *grants program, based on a budget annually negotiated*
16 *with the State: Provided further, That of the*
17 **(72)**~~\$1,800,000,000~~ \$1,976,000,000 for capitalization
18 grants for State revolving funds to support water infra-
19 structure financing, **(73)**~~\$450,000,000~~ \$1,275,000,000
20 shall be for drinking water State revolving funds**(74)**; ~~but~~
21 ~~if no drinking water State revolving fund legislation is en-~~
22 ~~acted by June 1, 1997, these funds shall immediately be~~
23 ~~available for making capitalization grants under title VI~~
24 ~~of the Federal Water Pollution Control Act, as amended~~
25 **(75)**: *Provided further, That the funds made available in*

1 *Public Law 103–327 for a grant to the City of Bangor,*
 2 *Maine, in accordance with House Report 103–715, shall be*
 3 *available for a grant to that city for meeting combined*
 4 *sewer overflow requirements (76): Provided further, That,*
 5 *notwithstanding any other provision of law, a State that*
 6 *did not receive, in fiscal year 1996, grants under title VI*
 7 *of the Federal Water Pollution Control Act, as amended,*
 8 *that obligated all the funds allotted to it from the*
 9 *\$725,000,000 that became available for that purpose on Au-*
 10 *gust 1, 1996, may receive reallocated funds from the fiscal*
 11 *year 1996 appropriation, provided the State receives such*
 12 *grants in fiscal year 1997.*

13 WORKING CAPITAL FUND

14 (INCLUDING TRANSFER OF FUNDS)

15 There is hereby established in the Treasury a fran-
 16 chise fund pilot to be known as the “Working capital
 17 fund”, as authorized by section 403 of Public Law 103–
 18 356, to be available as provided in such section for ex-
 19 penses and equipment necessary for the maintenance and
 20 operation of such administrative services as the Adminis-
 21 trator determines may be performed more advantageously
 22 as central services: *Provided, That* any inventories, equip-
 23 ment, and other assets pertaining to the services to be pro-
 24 vided by such fund, either on hand or on order, less the
 25 related liabilities or unpaid obligations, and any appropria-

1 tions made hereafter for the purpose of providing capital,
2 shall be used to capitalize such fund: *Provided further*,
3 That such fund shall be paid in advance from funds avail-
4 able to the Agency and other Federal agencies for which
5 such centralized services are performed, at rates which will
6 return in full all expenses of operation, including accrued
7 leave, depreciation of fund plant and equipment, amortiza-
8 tion of automated data processing (ADP) software and
9 systems (either acquired or donated), and an amount nec-
10 essary to maintain a reasonable operating reserve, as de-
11 termined by the Administrator: *Provided further*, That
12 such fund shall provide services on a competitive basis:
13 *Provided further*, That an amount not to exceed four per-
14 cent of the total annual income to such fund may be re-
15 tained in the fund for fiscal year 1997 and each fiscal
16 year thereafter, to remain available until expended, to be
17 used for the acquisition of capital equipment and for the
18 improvement and implementation of Agency financial
19 management, ADP, and other support systems: *Provided*
20 *further*, That no later than thirty days after the end of
21 each fiscal year amounts in excess of this reserve limita-
22 tion shall be transferred to the Treasury: *Provided further*,
23 That such franchise fund pilot shall terminate pursuant
24 to section 403(f) of Public Law 103–356.

1 **(77)**ADMINISTRATIVE PROVISION

2 SEC. 301. Notwithstanding any other provision of
3 law, funds made available in this Act to the Environmental
4 Protection Agency for any account, program or project
5 may be transferred to Science and Technology for nec-
6 essary research activities, subject to the terms and condi-
7 tions set forth in the Report accompanying this Act.

8 EXECUTIVE OFFICE OF THE PRESIDENT

9 OFFICE OF SCIENCE AND TECHNOLOGY POLICY

10 For necessary expenses of the Office of Science and
11 Technology Policy, in carrying out the purposes of the Na-
12 tional Science and Technology Policy, Organization, and
13 Priorities Act of 1976 (42 U.S.C. 6601 and 6671), hire
14 of passenger motor vehicles, and services as authorized by
15 5 U.S.C. 3109, not to exceed \$2,500 for official reception
16 and representation expenses, and rental of conference
17 rooms in the District of Columbia, \$4,932,000.

18 COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF

19 ENVIRONMENTAL QUALITY

20 For necessary expenses to continue functions as-
21 signed to the Council on Environmental Quality and Office
22 of Environmental Quality pursuant to the National Envi-
23 ronmental Policy Act of 1969, the Environmental Quality
24 Improvement Act of 1970, and Reorganization Plan No.
25 1 of 1977, **(78)**~~\$2,250,000~~ \$2,436,000.

1 FEDERAL EMERGENCY MANAGEMENT AGENCY
2 DISASTER RELIEF

3 For necessary expenses in carrying out the Robert
4 T. Stafford Disaster Relief and Emergency Assistance Act
5 (42 U.S.C. 5121 et seq.), ~~(79)~~\$1,120,000,000
6 \$1,320,000,000, and, notwithstanding 42 U.S.C. 5203, to
7 become available for obligation on September 30, 1997,
8 and remain available until expended ~~(80)~~: *Provided, That*
9 *no money appropriated for the Federal Emergency Manage-*
10 *ment Agency may be expended for the repair of yacht har-*
11 *bors or golf courses except for debris removal: Provided fur-*
12 *ther, That no money appropriated for the Federal Emer-*
13 *gency Management Agency may be expended for tree or*
14 *shrub replacement except in public parks: Provided further,*
15 *That any funds used for repair of any recreational facilities*
16 *shall be limited to debris removal and the repair of rec-*
17 *reational buildings only.*

18 DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

19 For the cost of direct loans, \$1,385,000, as author-
20 ized by section 319 of the Robert T. Stafford Disaster Re-
21 lief and Emergency Assistance Act (42 U.S.C. 5121 et
22 seq.): *Provided, That* such costs, including the cost of
23 modifying such loans, shall be as defined in section 502
24 of the Congressional Budget Act of 1974, as amended:
25 *Provided further, That* these funds are available to sub-

1 sidize gross obligations for the principal amount of direct
2 loans not to exceed \$25,000,000.

3 In addition, for administrative expenses to carry out
4 the direct loan program, \$548,000.

5 SALARIES AND EXPENSES

6 For necessary expenses, not otherwise provided for,
7 including hire and purchase of motor vehicles (31 U.S.C.
8 1343); uniforms, or allowances therefor, as authorized by
9 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C.
10 3109, but at rates for individuals not to exceed the per
11 diem rate equivalent to the rate for GS–18; expenses of
12 attendance of cooperating officials and individuals at
13 meetings concerned with the work of emergency prepared-
14 ness; transportation in connection with the continuity of
15 Government programs to the same extent and in the same
16 manner as permitted the Secretary of a Military Depart-
17 ment under 10 U.S.C. 2632; and not to exceed \$2,500
18 for official reception and representation expenses,
19 ~~(81)\$168,000,000~~ \$166,733,000.

20 OFFICE OF INSPECTOR GENERAL

21 For necessary expenses of the Office of Inspector
22 General in carrying out the provisions of the Inspector
23 General Act of 1978, as amended, ~~(82)\$4,533,000~~
24 \$4,673,000.

1 EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

2 For necessary expenses, not otherwise provided for,
3 to carry out activities under the National Flood Insurance
4 Act of 1968, as amended, and the Flood Disaster Protec-
5 tion Act of 1973, as amended (42 U.S.C. 4001 et seq.),
6 the Robert T. Stafford Disaster Relief and Emergency As-
7 sistance Act (42 U.S.C. 5121 et seq.), the Earthquake
8 Hazards Reduction Act of 1977, as amended (42 U.S.C.
9 7701 et seq.), the Federal Fire Prevention and Control
10 Act of 1974, as amended (15 U.S.C. 2201 et seq.), the
11 Defense Production Act of 1950, as amended (50 U.S.C.
12 App. 2061 et seq.), sections 107 and 303 of the National
13 Security Act of 1947, as amended (50 U.S.C. 404–405),
14 and Reorganization Plan No. 3 of 1978,
15 ~~(83)\$209,101,000~~ \$199,101,000.

16 EMERGENCY FOOD AND SHELTER PROGRAM

17 To carry out an emergency food and shelter program
18 pursuant to title III of Public Law 100–77, as amended,
19 \$100,000,000: *Provided*, That total administrative costs
20 shall not exceed three and one-half percent of the total
21 appropriation.

22 NATIONAL FLOOD INSURANCE FUND

23 For activities under the National Flood Insurance
24 Act of 1968, the Flood Disaster Protection Act of 1973,
25 and the National Flood Insurance Reform Act of 1994,

1 not to exceed \$20,981,000 for salaries and expenses asso-
2 ciated with flood mitigation and flood insurance oper-
3 ations, and not to exceed \$78,464,000 for flood mitigation,
4 including up to \$20,000,000 for expenses under section
5 1366 of the National Flood Insurance Act, which amount
6 shall be available until September 30, 1998. **(84)***The first*
7 *sentence of section 1376(c) of the National Flood Insurance*
8 *Act of 1968, as amended (42 U.S.C. 4026), is amended by*
9 *striking all after “this subchapter” and inserting “such*
10 *sums as may be necessary through September 30, 1997 for*
11 *studies under this title”.* In fiscal year 1997, no funds in
12 excess of (1) \$47,000,000 for operating expenses, (2)
13 \$335,680,000 for agents’ commissions and taxes, and (3)
14 \$35,000,000 for interest on Treasury borrowings shall be
15 available from the National Flood Insurance Fund without
16 prior notice to the Committees on Appropriations. For fis-
17 cal year 1997, flood insurance rates shall not exceed the
18 level authorized by the National Flood Insurance Reform
19 Act of 1994. **(85)***Section 1319 of the National Flood In-*
20 *surance Act of 1968, as amended (42 U.S.C. 4026), is*
21 *amended by striking out September 30, 1996.” and insert-*
22 *ing “September 30, 1997”.*

23

WORKING CAPITAL FUND

24 For the establishment of a working capital fund for
25 the Federal Emergency Management Agency, to be avail-
26 able without fiscal year limitation, for expenses and equip-

1 ment necessary for maintenance and operations of such
2 administrative services as the Director determines may be
3 performed more advantageously as central services: *Pro-*
4 *vided*, That any inventories, equipment, and other assets
5 pertaining to the services to be provided by such fund, ei-
6 ther on hand or on order, less the related liabilities or un-
7 paid obligations, and any appropriations made hereafter
8 for the purpose of providing capital, shall be used to cap-
9 italize such fund: *Provided further*, That such fund shall
10 be reimbursed or credited with advance payments from ap-
11 plicable appropriations and funds of the Federal Emer-
12 gency Management Agency, other Federal agencies, and
13 other sources authorized by law for which such centralized
14 services are performed, including supplies, materials, and
15 services, at rates that will return in full all expenses of
16 operation, including accrued leave, depreciation of fund
17 plant and equipment, amortization of automated data
18 processing (ADP) software and systems (either acquired
19 or donated), and an amount necessary to maintain a rea-
20 sonable operating reserve as determined by the Director:
21 *Provided further*, That income of such fund may be re-
22 tained, to remain available until expended, for purposes
23 of the fund: *Provided further*, That fees for services shall
24 be established by the Director at a level to cover the total
25 estimated costs of providing such services, such fees to be

1 deposited in the fund shall remain available until expended
2 for purposes of the fund: *Provided further*, That such fund
3 shall terminate in a manner consistent with section 403(f)
4 of Public Law 103–356.

5 ADMINISTRATIVE PROVISION

6 The Director of the Federal Emergency Management
7 Agency shall promulgate through rulemaking a methodol-
8 ogy for assessment and collection of fees to be assessed
9 and collected beginning in fiscal year 1997 applicable to
10 persons subject to the Federal Emergency Management
11 Agency’s radiological emergency preparedness regulations.
12 The aggregate charges assessed pursuant to this section
13 during fiscal year 1997 shall approximate, but not be less
14 than, 100 per centum of the amounts anticipated by the
15 Federal Emergency Management Agency to be obligated
16 for its radiological emergency preparedness program for
17 such fiscal year. The methodology for assessment and col-
18 lection of fees shall be fair and equitable, and shall reflect
19 the full amount of costs of providing radiological emer-
20 gency planning, preparedness, response and associated
21 services. Such fees shall be assessed in a manner that re-
22 flects the use of agency resources for classes of regulated
23 persons and the administrative costs of collecting such
24 fees. Fees received pursuant to this section shall be depos-
25 ited in the general fund of the Treasury as offsetting re-

1 ceipts. Assessment and collection of such fees are only au-
 2 thorized during fiscal year 1997.

3 GENERAL SERVICES ADMINISTRATION

4 CONSUMER INFORMATION CENTER FUND

5 For necessary expenses of the Consumer Information
 6 Center, including services authorized by 5 U.S.C. 3109,
 7 \$2,260,000, to be deposited into the Consumer Informa-
 8 tion Center Fund: *Provided*, That the appropriations, rev-
 9 enues and collections deposited into the fund shall be
 10 available for necessary expenses of Consumer Information
 11 Center activities in the aggregate amount of \$7,500,000.
 12 ~~(86) Administrative expenses of the Consumer Informa-~~
 13 ~~tion Center in fiscal year 1997 shall not exceed~~
 14 ~~\$2,602,000. Appropriations, revenues, and collections ac-~~
 15 ~~cruing to this fund during fiscal year 1997 in excess of~~
 16 ~~\$7,500,000 shall remain in the fund and shall not be avail-~~
 17 ~~able for expenditure except as authorized in appropria-~~
 18 ~~tions Acts(87):—Provided further, That notwithstanding~~
 19 ~~any other provision of law, the Consumer Information~~
 20 ~~Center may accept and deposit to this account, during fis-~~
 21 ~~eal year 1997, gifts for the purpose of defraying its costs~~
 22 ~~of printing, publishing, and distributing consumer infor-~~
 23 ~~mation and educational material; may expend up to~~
 24 ~~\$1,100,000 of those gifts for those purposes, in addition~~
 25 ~~to amounts otherwise appropriated, and the balance shall~~

1 remain available for expenditure for such purpose to the
2 extent authorized in subsequent appropriations Acts: *Pro-*
3 *vided further, That notwithstanding any other provision of*
4 *law, the Consumer Information Center may accept and de-*
5 *posit to this account, during fiscal year 1997 and hereafter,*
6 *gifts for the purpose of defraying its costs of printing, pub-*
7 *lishing, and distributing consumer information and edu-*
8 *cational materials and undertaking other consumer infor-*
9 *mation activities; may expend those gifts for those purposes,*
10 *in addition to amounts appropriated or otherwise made*
11 *available; and the balance shall remain available for ex-*
12 *penditure for such purpose.*

13 NATIONAL AERONAUTICS AND SPACE ADMINISTRATION
14 HUMAN SPACE FLIGHT

15 For necessary expenses, not otherwise provided for,
16 in the conduct and support of human space flight research
17 and development activities, including research, develop-
18 ment, operations, and services; maintenance; construction
19 of facilities including repair, rehabilitation, and modifica-
20 tion of real and personal property, and acquisition or con-
21 demnation of real property, as authorized by law; space
22 flight, spacecraft control and communications activities in-
23 cluding operations, production, and services; and pur-
24 chase, lease, charter, maintenance and operation of mis-

1 sion and administrative aircraft, \$5,362,900,000, to re-
 2 main available until September 30, 1998.

3 SCIENCE, AERONAUTICS AND TECHNOLOGY

4 For necessary expenses, not otherwise provided for,
 5 in the conduct and support of science, aeronautics and
 6 technology research and development activities, including
 7 research, development, operations, and services; mainte-
 8 nance; construction of facilities including repair, rehabili-
 9 tation, and modification of real and personal property, and
 10 acquisition or condemnation of real property, as author-
 11 ized by law; space flight, spacecraft control and commu-
 12 nications activities including operations, production, and
 13 services; and purchase, lease, charter, maintenance and
 14 operation of mission and administrative aircraft,
 15 ~~(88)\$5,662,100,000~~ \$5,762,100,000, to remain available
 16 until September 30, 1998. Chapter VII of Public Law
 17 104-6 is amended under the heading, “National Aero-
 18 nautics and Space Administration” by replacing “Septem-
 19 ber 30, 1997” with “September 30, 1998” and “1996”
 20 with “1997”.

21 MISSION SUPPORT

22 For necessary expenses, not otherwise provided for,
 23 in carrying out mission support for human space flight
 24 programs and science, aeronautical, and technology pro-
 25 grams, including research operations and support; space

1 communications activities including operations, production
2 and services; maintenance; construction of facilities in-
3 cluding repair, rehabilitation, and modification of facili-
4 ties, minor construction of new facilities and additions to
5 existing facilities, facility planning and design, environ-
6 mental compliance and restoration, and acquisition or con-
7 demnation of real property, as authorized by law; program
8 management; personnel and related costs, including uni-
9 forms or allowances therefor, as authorized by 5 U.S.C.
10 5901–5902; travel expenses; purchase, lease charter,
11 maintenance, and operation of mission and administrative
12 aircraft; not to exceed \$35,000 for official reception and
13 representation expenses; and purchase (not to exceed 33
14 for replacement only) and hire of passenger motor vehi-
15 cles; \$2,562,200,000, to remain available until September
16 30, 1998.

17 OFFICE OF INSPECTOR GENERAL

18 For necessary expenses of the Office of Inspector
19 General in carrying out the Inspector General Act of 1978,
20 as amended, \$17,000,000.

21 ADMINISTRATIVE PROVISIONS

22 (INCLUDING TRANSFER OF FUNDS)

23 Notwithstanding the limitation on the availability of
24 funds appropriated for “Human space flight”, “Science,
25 aeronautics and technology”, or “Mission support” by this
26 appropriations Act, when (1) any activity has been initi-

1 ated by the incurrence of obligations for construction of
2 facilities as authorized by law, or (2) amounts are pro-
3 vided for full-funding for the Tracking and Data Relay
4 Satellite (TDRS) replenishment program, such amount
5 available for such activity shall remain available until ex-
6 pended. This provision does not apply to the amounts ap-
7 propriated in “Mission support” pursuant to the author-
8 ization for repair, rehabilitation and modification of facili-
9 ties, minor construction of new facilities and additions to
10 existing facilities, and facility planning and design.

11 Notwithstanding the limitation on the availability of
12 funds appropriated for “Human space flight”, “Science,
13 aeronautics and technology”, or “Mission support” by this
14 appropriations Act, the amounts appropriated for con-
15 struction of facilities shall remain available until Septem-
16 ber 30, 1999.

17 Notwithstanding the limitation on the availability of
18 funds appropriated for “Mission support” and “Office of
19 Inspector General”, amounts made available by this Act
20 for personnel and related costs and travel expenses of the
21 National Aeronautics and Space Administration shall re-
22 main available until September 30, 1997 and may be used
23 to enter into contracts for training, investigations, cost as-
24 sociated with personnel relocation, and for other services,
25 to be provided during the next fiscal year.

1 **(89)***In order to avoid or minimize the need for invol-*
2 *untary separations due to a reduction in force, installation*
3 *closure, reorganization, transfer of function, or similar ac-*
4 *tion affecting the National Aeronautics and Space Admin-*
5 *istration, the Administrator shall establish a program*
6 *under which separation pay, subject to the availability of*
7 *appropriated funds, may be offered to encourage employees*
8 *to separate from service voluntarily, whether by retirement*
9 *or resignation: Provided, That payments to individual em-*
10 *ployees shall not exceed \$25,000: Provided further, That in*
11 *addition to any other payments which it is required to*
12 *make under subchapter III of chapter 83 or chapter 84 of*
13 *title 5, United States Code, NASA shall remit to the Office*
14 *of Personnel Management for deposit in the Treasury of the*
15 *United States to the credit of the Civil Service Retirement*
16 *and Disability Fund an amount equal to 15 percent of the*
17 *final basic pay of each employee who is covered under sub-*
18 *chapter III of chapter 83 or chapter 84 of title 5 to whom*
19 *a voluntary separation incentive has been paid under this*
20 *paragraph.*

21 NATIONAL CREDIT UNION ADMINISTRATION

22 CENTRAL LIQUIDITY FACILITY

23 During fiscal year 1997, gross obligations of the
24 Central Liquidity Facility for the principal amount of new
25 direct loans to member credit unions, as authorized by the

1 National Credit Union Central Liquidity Facility Act (12
 2 U.S.C. 1795), shall not exceed \$600,000,000: *Provided*,
 3 That administrative expenses of the Central Liquidity Fa-
 4 cility in fiscal year 1997 shall not exceed \$560,000: *Pro-*
 5 *vided further*, That \$1,000,000, together with amounts of
 6 principal and interest on loans repaid, to be available until
 7 expended, is available for loans to community development
 8 credit unions.

9 NATIONAL SCIENCE FOUNDATION

10 RESEARCH AND RELATED ACTIVITIES

11 For necessary expenses in carrying out the National
 12 Science Foundation Act of 1950, as amended (42 U.S.C.
 13 1861–1875), and the Act to establish a National Medal
 14 of Science (42 U.S.C. 1880–1881); services as authorized
 15 by 5 U.S.C. 3109; maintenance and operation of aircraft
 16 and purchase of flight services for research support; acqui-
 17 sition of aircraft; ~~(90)\$2,422,000,000 (increased by~~
 18 ~~\$9,110,000)~~ \$2,432,000,000, of which not to exceed
 19 \$226,000,000 shall remain available until expended for
 20 Polar research and operations support, and for reimburse-
 21 ment to other Federal agencies for operational and science
 22 support and logistical and other related activities for the
 23 United States Antarctic program; the balance to remain
 24 available until September 30, 1998: *Provided*, That re-
 25 ceipts for scientific support services and materials fur-

1 nished by the National Research Centers and other Na-
2 tional Science Foundation supported research facilities
3 may be credited to this appropriation: *Provided further*,
4 That to the extent that the amount appropriated is less
5 than the total amount authorized to be appropriated for
6 included program activities, all amounts, including floors
7 and ceilings, specified in the authorizing Act for those pro-
8 gram activities or their subactivities shall be reduced pro-
9 portionally.

10 MAJOR RESEARCH EQUIPMENT

11 For necessary expenses of major construction
12 projects pursuant to the National Science Foundation Act
13 of 1950, as amended, \$80,000,000, to remain available
14 until expended.

15 EDUCATION AND HUMAN RESOURCES

16 For necessary expenses in carrying out science and
17 engineering education and human resources programs and
18 activities pursuant to the National Science Foundation
19 Act of 1950, as amended (42 U.S.C. 1861–1875), includ-
20 ing services as authorized by 5 U.S.C. 3109 and rental
21 of conference rooms in the District of Columbia,
22 ~~(91)\$612,000,000~~ \$624,000,000, to remain available until
23 September 30, 1998: *Provided*, That to the extent that
24 the amount of this appropriation is less than the total
25 amount authorized to be appropriated for included pro-

1 gram activities, all amounts, including floors and ceilings,
2 specified in the authorizing Act for those program activi-
3 ties or their subactivities shall be reduced proportionally.

4 SALARIES AND EXPENSES

5 For necessary salaries and expenses of the National
6 Science Foundation Act of 1950, as amended (42 U.S.C.
7 1861–1875); services authorized by 5 U.S.C. 3109; hire
8 of passenger motor vehicles; not to exceed \$9,000 for offi-
9 cial reception and representation expenses; uniforms or al-
10 lowances therefor, as authorized by 5 U.S.C. 5901–5902;
11 rental of conference rooms in the District of Columbia;
12 reimbursement of the General Services Administration for
13 security guard services and headquarters relocation;
14 \$134,310,000 ~~(92)~~(reduced by \$9,110,000): *Provided,*
15 That contracts may be entered into under salaries and ex-
16 penses in fiscal year 1997 for maintenance and operation
17 of facilities, and for other services, to be provided during
18 the next fiscal year.

19 OFFICE OF INSPECTOR GENERAL

20 For necessary expenses of the Office of Inspector
21 General as authorized by the Inspector General Act of
22 1978, as amended, \$4,690,000, to remain available until
23 September 30, 1998.

1 NEIGHBORHOOD REINVESTMENT CORPORATION
2 PAYMENT TO THE NEIGHBORHOOD REINVESTMENT
3 CORPORATION

4 For payment to the Neighborhood Reinvestment Cor-
5 poration for use in neighborhood reinvestment activities,
6 as authorized by the Neighborhood Reinvestment Corpora-
7 tion Act (42 U.S.C. 8101–8107), ~~(93)~~\$50,000,000
8 \$49,900,000.

9 SELECTIVE SERVICE SYSTEM
10 SALARIES AND EXPENSES

11 For necessary expenses of the Selective Service Sys-
12 tem, including expenses of attendance at meetings and of
13 training for uniformed personnel assigned to the Selective
14 Service System, as authorized by 5 U.S.C. 4101–4118 for
15 civilian employees; and not to exceed \$1,000 for official
16 reception and representation expenses; \$22,930,000: *Pro-*
17 *vided*, That during the current fiscal year, the President
18 may exempt this appropriation from the provisions of 31
19 U.S.C. 1341, whenever he deems such action to be nec-
20 essary in the interest of national defense: *Provided further*,
21 That none of the funds appropriated by this Act may be
22 expended for or in connection with the induction of any
23 person into the Armed Forces of the United States.

1 TITLE IV—GENERAL PROVISIONS

2 SEC. 401. Where appropriations in titles I, II, and
3 III of this Act are expendable for travel expenses and no
4 specific limitation has been placed thereon, the expendi-
5 tures for such travel expenses may not exceed the amounts
6 set forth therefore in the budget estimates submitted for
7 the appropriations: *Provided, (94) That this provision does*
8 *not apply to accounts that do not contain an object classi-*
9 *fication for travel: Provided further, That this section shall*
10 *not apply to travel performed by uncompensated officials*
11 *of local boards and appeal boards of the Selective Service*
12 *System; to travel performed directly in connection with*
13 *care and treatment of medical beneficiaries of the Depart-*
14 *ment of Veterans Affairs; to travel performed in connec-*
15 *tion with major disasters or emergencies declared or deter-*
16 *mined by the President under the provisions of the Robert*
17 *T. Stafford Disaster Relief and Emergency Assistance*
18 *Act; to travel performed by the Offices of Inspector Gen-*
19 *eral in connection with audits and investigations; or to*
20 *payments to interagency motor pools where separately set*
21 *forth in the budget schedules: Provided further, That if*
22 *appropriations in titles I, II, and III exceed the amounts*
23 *set forth in budget estimates initially submitted for such*
24 *appropriations, the expenditures for travel may cor-*

1 respondingly exceed the amounts therefore set forth in the
2 estimates in the same proportion.

3 SEC. 402. Appropriations and funds available for the
4 administrative expenses of the Department of Housing
5 and Urban Development and the Selective Service System
6 shall be available in the current fiscal year for purchase
7 of uniforms, or allowances therefor, as authorized by 5
8 U.S.C. 5901–5902; hire of passenger motor vehicles; and
9 services as authorized by 5 U.S.C. 3109.

10 SEC. 403. Funds of the Department of Housing and
11 Urban Development subject to the Government Corpora-
12 tion Control Act or section 402 of the Housing Act of
13 1950 shall be available, without regard to the limitations
14 on administrative expenses, for legal services on a contract
15 or fee basis, and for utilizing and making payment for
16 services and facilities of Federal National Mortgage Asso-
17 ciation, Government National Mortgage Association, Fed-
18 eral Home Loan Mortgage Corporation, Federal Financ-
19 ing Bank, Federal Reserve banks or any member thereof,
20 Federal Home Loan banks, and any insured bank within
21 the meaning of the Federal Deposit Insurance Corporation
22 Act, as amended (12 U.S.C. 1811–1831).

23 SEC. 404. No part of any appropriation contained in
24 this Act shall remain available for obligation beyond the
25 current fiscal year unless expressly so provided herein.

1 SEC. 405. No funds appropriated by this Act may be
2 expended—

3 (1) pursuant to a certification of an officer or
4 employee of the United States unless—

5 (A) such certification is accompanied by,
6 or is part of, a voucher or abstract which de-
7 scribes the payee or payees and the items or
8 services for which such expenditure is being
9 made, or

10 (B) the expenditure of funds pursuant to
11 such certification, and without such a voucher
12 or abstract, is specifically authorized by law;
13 and

14 (2) unless such expenditure is subject to audit
15 by the General Accounting Office or is specifically
16 exempt by law from such audit.

17 SEC. 406. None of the funds provided in this Act to
18 any department or agency may be expended for the trans-
19 portation of any officer or employee of such department
20 or agency between his domicile and his place of employ-
21 ment, with the exception of any officer or employee au-
22 thorized such transportation under 31 U.S.C. 1344 or 5
23 U.S.C. 7905.

24 SEC. 407. None of the funds provided in this Act may
25 be used for payment, through grants or contracts, to re-

1 cipients that do not share in the cost of conducting re-
2 search resulting from proposals not specifically solicited
3 by the Government: *Provided*, That the extent of cost
4 sharing by the recipient shall reflect the mutuality of in-
5 terest of the grantee or contractor and the Government
6 in the research.

7 SEC. 408. None of the funds in this Act may be used,
8 directly or through grants, to pay or to provide reimburse-
9 ment for payment of the salary of a consultant (whether
10 retained by the Federal Government or a grantee) at more
11 than the daily equivalent of the rate paid for Level IV
12 of the Executive Schedule, unless specifically authorized
13 by law.

14 SEC. 409. None of the funds provided in this Act
15 shall be used to pay the expenses of, or otherwise com-
16 pensate, non-Federal parties intervening in regulatory or
17 adjudicatory proceedings. Nothing herein affects the au-
18 thority of the Consumer Product Safety Commission pur-
19 suant to section 7 of the Consumer Product Safety Act
20 (15 U.S.C. 2056 et seq.).

21 SEC. 410. Except as otherwise provided under exist-
22 ing law or under an existing Executive order issued pursu-
23 ant to an existing law, the obligation or expenditure of
24 any appropriation under this Act for contracts for any
25 consulting service shall be limited to contracts which are

1 (1) a matter of public record and available for public in-
2 spection, and (2) thereafter included in a publicly available
3 list of all contracts entered into within twenty-four months
4 prior to the date on which the list is made available to
5 the public and of all contracts on which performance has
6 not been completed by such date. The list required by the
7 preceding sentence shall be updated quarterly and shall
8 include a narrative description of the work to be per-
9 formed under each such contract.

10 SEC. 411. Except as otherwise provided by law, no
11 part of any appropriation contained in this Act shall be
12 obligated or expended by any executive agency, as referred
13 to in the Office of Federal Procurement Policy Act (41
14 U.S.C. 401 et seq.), for a contract for services unless such
15 executive agency (1) has awarded and entered into such
16 contract in full compliance with such Act and the regula-
17 tions promulgated thereunder, and (2) requires any report
18 prepared pursuant to such contract, including plans, eval-
19 uations, studies, analyses and manuals, and any report
20 prepared by the agency which is substantially derived from
21 or substantially includes any report prepared pursuant to
22 such contract, to contain information concerning (A) the
23 contract pursuant to which the report was prepared, and
24 (B) the contractor who prepared the report pursuant to
25 such contract.

1 SEC. 412. Except as otherwise provided in section
2 406, none of the funds provided in this Act to any depart-
3 ment or agency shall be obligated or expended to provide
4 a personal cook, chauffeur, or other personal servants to
5 any officer or employee of such department or agency.

6 SEC. 413. None of the funds provided in this Act to
7 any department or agency shall be obligated or expended
8 to procure passenger automobiles as defined in 15 U.S.C.
9 2001 with an EPA estimated miles per gallon average of
10 less than 22 miles per gallon.

11 SEC. 414. None of the funds appropriated in title I
12 of this Act shall be used to enter into any new lease of
13 real property if the estimated annual rental is more than
14 \$300,000 unless the Secretary submits, in writing, a re-
15 port to the Committees on Appropriations of the Congress
16 and a period of 30 days has expired following the date
17 on which the report is received by the Committees on Ap-
18 propriations.

19 SEC. 415. (a) PURCHASE OF AMERICAN-MADE
20 EQUIPMENT AND PRODUCTS.—It is the sense of the Con-
21 gress that, to the greatest extent practicable, all equip-
22 ment and products purchased with funds made available
23 in this Act should be American-made.

24 (b) NOTICE REQUIREMENT.—In providing financial
25 assistance to, or entering into any contract with, any en-

1 tity using funds made available in this Act, the head of
2 each Federal agency, to the greatest extent practicable,
3 shall provide to such entity a notice describing the state-
4 ment made in subsection (a) by the Congress.

5 SEC. 416. None of the funds appropriated in this Act
6 may be used to implement any cap on reimbursements to
7 grantees for indirect costs, except as published in Office
8 of Management and Budget Circular A-21.

9 SEC. 417. Such sums as may be necessary for fiscal
10 year 1997 pay raises for programs funded by this Act shall
11 be absorbed within the levels appropriated in this Act.

12 SEC. 418. None of the funds made available in this
13 Act may be used for any program, project, or activity,
14 when it is made known to the Federal entity or official
15 to which the funds are made available that the program,
16 project, or activity is not in compliance with any Federal
17 law relating to risk assessment, the protection of private
18 property rights, or unfunded mandates.

19 SEC. 419. Such funds as may be necessary to carry
20 out the orderly termination of the Office of Consumer Af-
21 fairs shall be made available from funds appropriated to
22 the Department of Health and Human Services for fiscal
23 year 1997.

24 SEC. 420. Corporations and agencies of the Depart-
25 ment of Housing and Urban Development which are sub-

1 ject to the Government Corporation Control Act, as
2 amended, are hereby authorized to make such expendi-
3 tures, within the limits of funds and borrowing authority
4 available to each such corporation or agency and in accord
5 with law, and to make such contracts and commitments
6 without regard to fiscal year limitations as provided by
7 section 104 of the Act as may be necessary in carrying
8 out the programs set forth in the budget for 1997 for such
9 corporation or agency except as hereinafter provided: *Pro-*
10 *vided*, That collections of these corporations and agencies
11 may be used for new loan or mortgage purchase commit-
12 ments only to the extent expressly provided for in this Act
13 (unless such loans are in support of other forms of assist-
14 ance provided for in this or prior appropriations Acts), ex-
15 cept that this proviso shall not apply to the mortgage in-
16 surance or guaranty operations of these corporations, or
17 where loans or mortgage purchases are necessary to pro-
18 tect the financial interest of the United States Govern-
19 ment.

20 **(95)***SEC. 421. (a) The purpose of this section is to*
21 *provide for the special needs of certain children of Vietnam*
22 *veterans who were born with the birth defect spina bifida,*
23 *possibly as the result of the exposure of one or both parents*
24 *to herbicides during active service in the Republic of Viet-*

1 *nam during the Vietnam era, through the provision of*
 2 *health care and monetary benefits.*

3 *(b)(1) Part II of title 38, United States Code, is*
 4 *amended by inserting after chapter 17 the following new*
 5 *chapter:*

6 **“CHAPTER 18—BENEFITS FOR CHILDREN**
 7 **OF VIETNAM VETERANS WHO ARE**
 8 **BORN WITH SPINA BIFIDA**

“Sec.

“1801. Definitions.

“1802. Spina bifida conditions covered.

“1803. Health care.

“1804. Vocational training and rehabilitation.

“1805. Monetary allowance.

“1806. Effective date of awards.

9 **“§ 1801. Definitions**

10 *“For the purposes of this chapter—*

11 *“(1) The term ‘child’, with respect to a Vietnam*
 12 *veteran, means a natural child of the Vietnam vet-*
 13 *eran, regardless of age or marital status, who was*
 14 *conceived after the date on which the veteran first en-*
 15 *tered the Republic of Vietnam during the Vietnam*
 16 *era.*

17 *“(2) The term ‘Vietnam veteran’ means a vet-*
 18 *eran who performed active military, naval, or air*
 19 *service in the Republic of Vietnam during the Viet-*
 20 *nam era.*

1 **“§ 1802. Spina bifida conditions covered**

2 *“This chapter applies with respect to all forms and*
3 *manifestations of spina bifida except spina bifida occulta.*

4 **“§ 1803. Health care**

5 *“(a) In accordance with regulations which the Sec-*
6 *retary shall prescribe, the Secretary shall provide a child*
7 *of a Vietnam veteran who is suffering from spina bifida*
8 *with such health care as the Secretary determines is needed*
9 *by the child for the spina bifida or any disability that is*
10 *associated with such condition.*

11 *“(b) The Secretary may provide health care under this*
12 *section directly or by contract or other arrangement with*
13 *any health care provider.*

14 *“(c) For the purposes of this section—*

15 *“(1) The term ‘health care’—*

16 *“(A) means home care, hospital care, nurs-*
17 *ing home care, outpatient care, preventive care,*
18 *habilitative and rehabilitative care, case man-*
19 *agement, and respite care; and*

20 *“(B) includes—*

21 *“(i) the training of appropriate mem-*
22 *bers of a child’s family or household in the*
23 *care of the child; and*

24 *“(ii) the provision of such pharma-*
25 *ceuticals, supplies, equipment, devices, ap-*
26 *pliances, assistive technology, direct trans-*

1 portation costs to and from approved
2 sources of health care, and other materials
3 as the Secretary determines necessary.

4 “(2) The term ‘health care provider’ includes
5 specialized spina bifida clinics, health care plans, in-
6 surers, organizations, institutions, and any other en-
7 tity or individual who furnishes health care that the
8 Secretary determines authorized under this section.

9 “(3) The term ‘home care’ means outpatient
10 care, habilitative and rehabilitative care, preventive
11 health services, and health-related services furnished
12 to an individual in the individual’s home or other
13 place of residence.

14 “(4) The term ‘hospital care’ means care and
15 treatment for a disability furnished to an individual
16 who has been admitted to a hospital as a patient.

17 “(5) The term ‘nursing home care’ means care
18 and treatment for a disability furnished to an indi-
19 vidual who has been admitted to a nursing home as
20 a resident.

21 “(6) The term ‘outpatient care’ means care and
22 treatment of a disability, and preventive health serv-
23 ices, furnished to an individual other than hospital
24 care or nursing home care.

1 “(7) *The term ‘preventive care’ means care and*
2 *treatment furnished to prevent disability or illness,*
3 *including periodic examinations, immunizations, pa-*
4 *tient health education, and such other services as the*
5 *Secretary determines necessary to provide effective*
6 *and economical preventive health care.*

7 “(8) *The term ‘habilitative and rehabilitative*
8 *care’ means such professional, counseling, and guid-*
9 *ance services and treatment programs (other than vo-*
10 *cational training under section 1804 of this title) as*
11 *are necessary to develop, maintain, or restore, to the*
12 *maximum extent practicable, the functioning of a dis-*
13 *abled person.*

14 “(9) *The term ‘respite care’ means care furnished*
15 *on an intermittent basis for a limited period to an*
16 *individual who resides primarily in a private resi-*
17 *dence when such care will help the individual to con-*
18 *tinue residing in such private residence.*

19 **“§ 1804. Vocational training and rehabilitation**

20 “(a) *Pursuant to such regulations as the Secretary*
21 *may prescribe, the Secretary may provide vocational train-*
22 *ing under this section to a child of a Vietnam veteran who*
23 *is suffering from spina bifida if the Secretary determines*
24 *that the achievement of a vocational goal by such child is*
25 *reasonably feasible.*

1 “(b) *Any program of vocational training for a child*
2 *under this section shall be designed in consultation with*
3 *the child in order to meet the child’s individual needs and*
4 *shall be set forth in an individualized written plan of voca-*
5 *tional rehabilitation.*

6 “(c)(1) *A vocational training program for a child*
7 *under this section—*

8 “(A) *shall consist of such vocationally oriented*
9 *services and assistance, including such placement and*
10 *post-placement services and personal and work ad-*
11 *justment training, as the Secretary determines are*
12 *necessary to enable the child to prepare for and par-*
13 *ticipate in vocational training or employment; and*

14 “(B) *may include a program of education at an*
15 *institution of higher education if the Secretary deter-*
16 *mines that the program of education is predomi-*
17 *nantly vocational in content.*

18 “(2) *A vocational training program under this sub-*
19 *section may not include the provision of any loan or sub-*
20 *sistence allowance or any automobile adaptive equipment.*

21 “(d)(1) *Except as provided in paragraph (2) and sub-*
22 *ject to subsection (e)(2), a vocational training program*
23 *under this section may not exceed 24 months.*

24 “(2) *The Secretary may grant an extension of a voca-*
25 *tional training program for a child under this section for*

1 up to 24 additional months if the Secretary determines that
2 the extension is necessary in order for the child to achieve
3 a vocational goal identified (before the end of the first 24
4 months of such program) in the written plan of vocational
5 rehabilitation formulated for the child pursuant to sub-
6 section (b).

7 “(e)(1) A child who is pursuing a program of voca-
8 tional training under this section and is also eligible for
9 assistance under a program under chapter 35 of this title
10 may not receive assistance under both such programs con-
11 currently. The child shall elect (in such form and manner
12 as the Secretary may prescribe) the program under which
13 the child is to receive assistance.

14 “(2) The aggregate period for which a child may re-
15 ceive assistance under this section and chapter 35 of this
16 title may not exceed 48 months (or the part-time equivalent
17 thereof).

18 **“§ 1805. Monetary allowance**

19 “(a) The Secretary shall pay a monthly allowance
20 under this chapter to any child of a Vietnam veteran for
21 any disability resulting from spina bifida suffered by such
22 child.

23 “(b)(1) The amount of the allowance paid to a child
24 under this section shall be based on the degree of disability
25 suffered by the child, as determined in accordance with such

1 *schedule for rating disabilities resulting from spina bifida*
2 *as the Secretary may prescribe.*

3 “(2) *The Secretary shall, in prescribing the rating*
4 *schedule for the purposes of this section, establish three levels*
5 *of disability upon which the amount of the allowance pro-*
6 *vided by this section shall be based.*

7 “(3) *The amounts of the allowance shall be \$200 per*
8 *month for the lowest level of disability prescribed, \$700 per*
9 *month for the intermediate level of disability prescribed,*
10 *and \$1,200 per month for the highest level of disability pre-*
11 *scribed. Such amounts are subject to adjustment under sec-*
12 *tion 5312 of this title.*

13 “(c) *Notwithstanding any other provision of law, re-*
14 *ceipt by a child of an allowance under this section shall*
15 *not impair, infringe, or otherwise affect the right of the*
16 *child to receive any other benefit to which the child may*
17 *otherwise be entitled under any law administered by the*
18 *Secretary, nor shall receipt of such an allowance impair,*
19 *infringe, or otherwise affect the right of any individual to*
20 *receive any benefit to which the individual is entitled under*
21 *any law administered by the Secretary that is based on the*
22 *child’s relationship to the individual.*

23 “(d) *Notwithstanding any other provision of law, the*
24 *allowance paid to a child under this section shall not be*
25 *considered income or resources in determining eligibility for*

1 *or the amount of benefits under any Federal or federally*
 2 *assisted program.*

3 **“§ 1806. Effective date of awards**

4 *“The effective date for an award of benefits under this*
 5 *chapter shall be fixed in accordance with the facts found,*
 6 *but shall not be earlier than the date of receipt of applica-*
 7 *tion for the benefits.”.*

8 *(2) The tables of chapters before part I and at the be-*
 9 *ginning of part II of such title are each amended by insert-*
 10 *ing after the item referring to chapter 17 the following new*
 11 *item:*

**“18. Benefits for Children of Vietnam Veterans Who Are
 Born With Spina Bifida 1801”.**

12 *(c) Section 5312 of title 38, United States Code, is*
 13 *amended—*

14 *(1) in subsection (a)—*

15 *(A) by striking out “and the rate of in-*
 16 *creased pension” and inserting in lieu thereof “,*
 17 *the rate of increased pension”; and*

18 *(B) by inserting after “on account of chil-*
 19 *dren,” the following: “and each rate of monthly*
 20 *allowance paid under section 1805 of this title,”;*
 21 *and*

22 *(2) in subsection (c)(1), by striking out “and*
 23 *1542” and inserting in lieu thereof “1542, and 1805”.*

1 (d) *This section and the amendments made by this sec-*
2 *tion shall take effect on January 1, 1997.*

3 SEC. 422. (a) *Section 1151 of title 38, United States*
4 *Code, is amended—*

5 (1) *by striking out the first sentence and insert-*
6 *ing in lieu thereof the following:*

7 “(a) *Compensation under this chapter and dependency*
8 *and indemnity compensation under chapter 13 of this title*
9 *shall be awarded for a qualifying additional disability or*
10 *a qualifying death of a veteran in the same manner as if*
11 *such additional disability or death were service-connected.*
12 *For purposes of this section, a disability or death is a quali-*
13 *fying additional disability or qualifying death if the dis-*
14 *ability or death was not the result of the veteran’s willful*
15 *misconduct and—*

16 “(1) *the disability or death was caused by hos-*
17 *pital care, medical or surgical treatment, or examina-*
18 *tion furnished the veteran under any law adminis-*
19 *tered by the Secretary, either by a Department em-*
20 *ployee or in a Department facility as defined in sec-*
21 *tion 1701(3)(A) of this title, and the proximate cause*
22 *of the disability or death was—*

23 “(A) *carelessness, negligence, lack of proper*
24 *skill, error in judgment, or similar instance of*
25 *fault on the part of the Department in furnish-*

1 *ing the hospital care, medical or surgical treat-*
2 *ment, or examination; or*

3 *“(B) an event not reasonably foreseeable; or*

4 *“(2) the disability or death was proximately*
5 *caused by the provision of training and rehabilitation*
6 *services by the Secretary (including by a service-pro-*
7 *vider used by the Secretary for such purpose under*
8 *section 3115 of this title) as part of an approved re-*
9 *habilitation program under chapter 31 of this title.”;*
10 *and*

11 *(2) in the second sentence—*

12 *(A) by redesignating that sentence as sub-*
13 *section (b);*

14 *(B) by striking out “, aggravation,” both*
15 *places it appears; and*

16 *(C) by striking out “sentence” and sub-*
17 *stituting in lieu thereof “subsection”.*

18 *(b)(1) The amendments made by subsection (a) shall*
19 *take effect on October 1, 1996.*

20 *(2) Section 1151 of title 38, United States Code (as*
21 *amended by subsection (a)), shall govern all administrative*
22 *and judicial determinations of eligibility for benefits under*
23 *such section that are made with respect to claims filed on*
24 *or after the effective date set forth in paragraph (1), includ-*
25 *ing those based on original applications and applications*

1 *seeking to reopen, revise, reconsider, or otherwise readju-*
2 *dicate on any basis claims for benefits under such section*
3 *1151 or any provision of law that is a predecessor of such*
4 *section.*

5 **(96)SEC. 421.** None of the funds appropriated or
6 otherwise made available by this Act may be used to pay
7 the salaries of personnel who approve a contract for the
8 purchase, lease, or acquisition in any manner of super-
9 computing equipment or services after a preliminary de-
10 termination, as defined in 19 U.S.C. 1673b, or final deter-
11 mination, as defined in 19 U.S.C. 1673d, by the Depart-
12 ment of Commerce that an organization providing such
13 supercomputing equipment or services has offered such
14 product at other than fair value.

15 **(97)SEC. 422.** None of the funds made available in
16 this Act for the National Aeronautics and Space Adminis-
17 tration may be used for the National Center for Science
18 Literacy, Education and Technology at the American Mu-
19 seum of Natural History.

20 **(98)SEC. 423.** (a) **DENIAL OF FUNDS FOR PRE-**
21 **VENTING ROTC ACCESS TO CAMPUS.**—None of the funds
22 made available in this Act may be provided by contract
23 or by grant (including a grant of funds to be available
24 for student aid) to an institution of higher education when
25 it is made known to the Federal official having authority

1 to obligate or expend such funds that the institution (or
2 any subelement thereof) has a policy or practice (regard-
3 less of when implemented) that prohibits, or in effect pre-
4 vents—

5 (1) the maintaining, establishing, or operation
6 of a unit of the Senior Reserve Officer Training
7 Corps (in accordance with section 654 of title 10,
8 United States Code, and other applicable Federal
9 laws) at the institution (or subelement); or

10 (2) a student at the institution (or subelement)
11 from enrolling in a unit of the Senior Reserve Offi-
12 cer Training Corps at another institution of higher
13 education.

14 (b) EXCEPTION.—The limitation established in sub-
15 section (a) shall not apply to an institution of higher edu-
16 cation when it is made known to the Federal official hav-
17 ing authority to obligate or expend such funds that—

18 (1) the institution (or subelement) has ceased
19 the policy or practice described in such subsection;
20 or

21 (2) the institution has a longstanding policy of
22 pacifism based on historical religious affiliation.

23 **(99)SEC. 424. (a) DENIAL OF FUNDS FOR PRE-**
24 **VENTING FEDERAL MILITARY RECRUITING ON CAM-**
25 **PUS.—None of the funds made available in this Act may**

1 be provided by contract or grant (including a grant of
2 funds to be available for student aid) to any institution
3 of higher education when it is made known to the Federal
4 official having authority to obligate or expend such funds
5 that the institution (or any subelement thereof) has a pol-
6 icy or practice (regardless of when implemented) that pro-
7 hibits, or in effect prevents—

8 (1) entry to campuses, or access to students
9 (who are 17 years of age or older) on campuses, for
10 purposes of Federal military recruiting; or

11 (2) access to the following information pertain-
12 ing to students (who are 17 years of age or older)
13 for purposes of Federal military recruiting: student
14 names, addresses, telephone listings, dates and
15 places of birth, levels of education, degrees received,
16 prior military experience, and the most recent pre-
17 vious educational institutions enrolled in by the stu-
18 dents.

19 (b) EXCEPTION.—The limitation established in sub-
20 section (a) shall not apply to an institution of higher edu-
21 cation when it is made known to the Federal official hav-
22 ing authority to obligate or expend such funds that—

23 (1) the institution (or subelement) has ceased
24 the policy or practice described in such subsection;
25 or

1 (2) the institution has a longstanding policy of
2 pacifism based on historical religious affiliation.

3 ~~(100)SEC. 425.~~ None of the funds made available
4 in this Act may be obligated or expended to enter into
5 or renew a contract with an entity when it is made known
6 to the Federal official having authority to obligate or ex-
7 pend such funds that—

8 (1) such entity is otherwise a contractor with
9 the United States and is subject to the requirement
10 in section 4212(d) of title 38, United States Code,
11 regarding submission of an annual report to the Sec-
12 retary of Labor concerning employment of certain
13 veterans; and

14 (2) such entity has not submitted a report as
15 required by that section for the most recent year for
16 which such requirement was applicable to such en-
17 tity.

18 ~~(101)SEC. 426.~~ The amount provided in title I for
19 “Veterans Health Administration—Medical Care” is here-
20 by increased by, the amount provided in title I for “De-
21 partmental Administration—General operating expenses”
22 is hereby increased by, and the total of the amounts of
23 budget authority provided in this Act for payments not
24 required by law for the fiscal year ending September 30,
25 1997 (other than any amount of budget authority provided

1 in title I and any such amount provided in title III for
2 the American Battle Monuments Commission, the Court
3 of Veterans Appeals, or Cemeterial Expenses, Army), is
4 hereby reduced by, \$40,000,000, \$17,000,000, and 0.40
5 percent, respectively.

6 **(102)SEC. 427.** The amounts otherwise provided by
7 this Act are revised by increasing the amount made avail-
8 able for “Veterans Health Administration—Medical
9 Care”, increasing the amount made available for “Veter-
10 ans Health Administration—Medical and Prosthetic Re-
11 search”, reducing the amount made available for “Cor-
12 poration for National and Community Service—National
13 and Community Service Programs Operating Expenses”,
14 and reducing the amount made available for “Corporation
15 for National and Community Service—Office of Inspector
16 General”, by \$20,000,000, \$20,000,000, \$365,000,000,
17 and \$2,000,000, respectively.

18 **(103)SEC. 428.** None of the funds made available
19 in this Act may be used by the Environmental Protection
20 Agency to issue, reissue, or renew any approval or author-
21 ization for any facility to store or dispose of poly-
22 chlorinated biphenyls when it is made known to the Fed-
23 eral official having authority to obligate or expend such
24 funds that there is in effect at the time of the issuance,
25 reissuance, or renewal a rule authorizing any person to

1 import into the customs territory of the United States for
2 treatment or disposal any polychlorinated biphenyls, or
3 polychlorinated biphenyl items, at concentrations of more
4 than 50 parts per million.

5 (104)SEC. 429. None of the funds made available
6 to the Environmental Protection Agency under the head-
7 ing “Hazardous Substance Superfund” may be used to
8 implement any retroactive liability discount reimburse-
9 ment described in the amendment made by section 201
10 of H.R. 2500, as introduced on October 18, 1995.

11 SEC. 430. FHA MORTGAGE INSURANCE PRE-
12 MIUMS.—Section 203(c)(2)(A) of the National Housing
13 Act (12 U.S.C. 1709(c)(2)(A)) is amended by inserting
14 after the first sentence the following new sentence: “In
15 the case of mortgage for which the mortgagor is a first-
16 time homebuyer who completes a program of counseling
17 with respect to the responsibilities and financial manage-
18 ment involved in homeownership that is approved by the
19 Secretary, the premium payment under this subparagraph
20 shall not exceed 2.0 percent of the amount of the original
21 insured principal obligation of the mortgage.”.

22 SEC. 431. (a) AUTHORITY TO USE AMOUNTS BOR-
23 ROWED FROM FAMILY MEMBERS FOR DOWNPAYMENTS
24 ON FHA-INSURED LOANS.—Section 203(b)(9) of the Na-
25 tional Housing Act (12 U.S.C. 1709(b)(9)) is amended by

1 inserting before the period at the end the following: “: *Pro-*
2 *vided further*, That for purposes of this paragraph, the
3 Secretary shall consider as cash or its equivalent any
4 amounts borrowed from a family member (as such term
5 is defined in section 201), subject only to the requirements
6 that, in any case in which the repayment of such borrowed
7 amounts is secured by a lien against the property, such
8 lien shall be subordinate to the mortgage and the sum of
9 the principal obligation of the mortgage and the obligation
10 secured by such lien may not exceed 100 percent of the
11 appraised value of the property plus any initial service
12 charges, appraisal, inspection, and other fees in connection
13 with the mortgage”.

14 (b) DEFINITION OF FAMILY MEMBER.—Section 201
15 of the National Housing Act (12 U.S.C. 1707) is amended
16 by adding at the end the following new subsections:

17 “(e) The term ‘family member’ means, with respect
18 to a mortgagor under such section, a child, parent, or
19 grandparent of the mortgagor (or the mortgagor’s
20 spouse). In determining whether any of the relationships
21 referred to in the preceding sentence exist, a legally adopt-
22 ed son or daughter of an individual (and a child who is
23 a member of an individual’s household, if placed with such
24 individual by an authorized placement agency for legal
25 adoption by such individual), and a foster child of an indi-

1 vidual, shall be treated as a child of such individual by
2 blood.

3 “(f) The term ‘child’ means, with respect to a mort-
4 gator under such section, a son, stepson, daughter, or
5 stepdaughter of such mortgagor.”.

6 ~~(105)SEC. 432.~~ Sections 401 and 402 of the bill,
7 H.R. 1708, 104th Congress, as introduced in the House
8 of Representatives on May 24, 1995, are hereby enacted
9 into law.

10 **SEC. 432. CALCULATION OF DOWNPAYMENT.**

11 *Section 203(b) of the National Housing Act (12 U.S.C.*
12 *1709(b)) is amended by adding at the end the following new*
13 *paragraph:*

14 “(10) ALASKA AND HAWAII.—

15 “(A) IN GENERAL.—Notwithstanding any
16 other provision of this subsection, with respect to
17 a mortgage originated in the State of Alaska or
18 the State of Hawaii, involve a principal obliga-
19 tion not in excess of the sum of—

20 “(i) the amount of the mortgage insur-
21 ance premium paid at the time the mort-
22 gage is insured; and

23 “(ii)(I) in the case of a mortgage for a
24 property with an appraised value equal to

1 or less than \$50,000, 98.75 percent of the
2 appraised value of the property;

3 “(II) in the case of a mortgage for a
4 property with an appraised value in excess
5 of \$50,000 but not in excess of \$125,000,
6 97.65 percent of the appraised value of the
7 property;

8 “(III) in the case of a mortgage for a
9 property with an appraised value in excess
10 of \$125,000, 97.15 percent of the appraised
11 value of the property; or

12 “(IV) notwithstanding subclauses (II)
13 and (III), in the case of a mortgage for a
14 property with an appraised value in excess
15 of \$50,000 that is located in an area of the
16 State for which the average closing cost ex-
17 ceeds 2.10 percent of the average, for the
18 State, of the sale price of properties located
19 in the State for which mortgages have been
20 executed, 97.75 percent of the appraised
21 value of the property.

22 “(B) AVERAGE CLOSING COST.—For pur-
23 poses of this paragraph, the term ‘average closing
24 cost’ means, with respect to a State, the average,
25 for mortgages executed for properties that are lo-

1 “(1) *IN GENERAL.*—If the Secretary determines
2 that a mortgage insured by a mortgagee pursuant to
3 delegation of authority under this section was not
4 originated in accordance with the requirements estab-
5 lished by the Secretary, and the Secretary pays an in-
6 surance claim with respect to the mortgage within a
7 reasonable period specified by the Secretary, the Sec-
8 retary may require the mortgagee approved under
9 this section to indemnify the Secretary for the loss.

10 “(2) *FRAUD OR MISREPRESENTATION.*—If fraud
11 or misrepresentation was involved in connection with
12 the origination, the Secretary may require the mort-
13 gagee approved under this section to indemnify the
14 Secretary for the loss regardless of when an insurance
15 claim is paid.

16 “(d) *TERMINATION OF MORTGAGEE’S AUTHORITY.*—If
17 a mortgagee to which the Secretary has made a delegation
18 under this section violates the requirements and procedures
19 established by the Secretary or the Secretary determines
20 that other good cause exists, the Secretary may cancel a
21 delegation of authority under this section to the mortgagee
22 by giving notice to the mortgagee. Such a cancellation shall
23 be effective upon receipt of the notice by the mortgagee or
24 at a later date specified by the Secretary. A decision by

1 *the Secretary to cancel a delegation shall be final and con-*
 2 *clusive and shall not be subject to judicial review.*

3 “(e) *REQUIREMENTS AND PROCEDURES.*—*Before ap-*
 4 *proving a delegation under this section, the Secretary shall*
 5 *issue regulations establishing appropriate requirements and*
 6 *procedures, including requirements and procedures govern-*
 7 *ing the indemnification of the Secretary by the Mortgagee.”.*

8 ~~(106)SEC. 433.~~ *None of the funds made available*
 9 *in this Act for the National Aeronautics and Space Admin-*
 10 *istration may be used to carry out, or pay the salaries*
 11 *of personnel who carry out, the Bion 11 and Bion 12*
 12 *projects.*

13 ~~(107)SEC. 434.~~ ***SENSE OF THE SENATE WITH REGARD TO***
 14 ***COMPLIANCE WITH INTERNATIONAL OBLIGA-***
 15 ***TIONS.***

16 (a) *FINDINGS.*—*Congress finds that—*

17 (1) *in response to a dispute settlement finding*
 18 *against the United States by the World Trade Orga-*
 19 *nization, the United States informed the World Trade*
 20 *Organization on June 19, 1996, that the United*
 21 *States intends to meet its international obligations to*
 22 *the World Trade Organization with respect to the En-*
 23 *vironmental Protection Agency’s requirements on im-*
 24 *ported reformulated and conventional gasoline;*

1 (2) *the Environmental Protection Agency has*
2 *initiated an open process to examine any and all op-*
3 *tions for compliance with international obligations of*
4 *the United States in which a key criterion will be*
5 *fully protecting public health and the environment;*
6 *and*

7 (3) *many United States environmental and in-*
8 *dustrial organizations are concerned about the “Regu-*
9 *lation of Fuels and Fuel Additives: Individual For-*
10 *ign Refinery Baseline Requirements for Reformu-*
11 *lated Gasoline” proposed on May 3, 1994 (59 Fed.*
12 *Reg. 84).*

13 (b) *SENSE OF THE SENATE.—It is the sense of the Sen-*
14 *ate that, in evaluating any option for compliance with*
15 *international obligations, the Administrator of the Envi-*
16 *ronmental Protection Agency should—*

17 (1) *take fully into account the protection of pub-*
18 *lic health and the environment and the international*
19 *obligations of the United States as a member of the*
20 *World Trade Organization;*

21 (2) *ensure that the compliance review process not*
22 *result in the degradation of the gasoline quality re-*
23 *quired by the Clean Air Act (42 U.S.C. 7401 et seq.)*
24 *with respect to conventional and reformulated gaso-*
25 *line;*

1 (A) reflect, to the maximum extent possible, the
2 Veterans Integrated Service Network developed by the
3 Department to account for forecasts in expected work-
4 load and to ensure fairness to facilities that provide
5 cost-efficient health care; and

6 (B) include—

7 (i) procedures to identify reasons for vari-
8 ations in operating costs among similar facilities
9 where Network allocations are based on similar
10 unit costs for similar services and workload;

11 (ii) ways to improve the allocation of re-
12 sources so as to promote efficient use of resources
13 and provision of quality health care;

14 (iii) adjustments to unit costs in subsection
15 (a) to reflect factors which directly influence the
16 cost of health care delivery within each Network
17 and where such factors are not under the control
18 of Network or Department management; and

19 (iv) include forecasts in expected workload
20 and consideration of the demand for VA health
21 care that may not be reflected in current work-
22 load projections.

23 (3) The Secretary shall prepare the plan in consulta-
24 tion with the Under Secretary of Health of the Department
25 of Veterans Affairs.

1 (b) *PLAN ELEMENTS.*—*The plan under subsection (a)*
2 *shall set forth—*

3 (1) *milestones for achieving the goal referred to*
4 *in paragraph (1) of that subsection; and*

5 (2) *a means of evaluating the success of the Sec-*
6 *retary in meeting the goal.*

7 (c) *SUBMITTAL TO CONGRESS.*—*The Secretary shall*
8 *submit to Congress the plan developed under subsection (a)*
9 *not later than 180 days after the date of the enactment of*
10 *this Act.*

11 (d) *IMPLEMENTATION.*—*The Secretary shall imple-*
12 *ment the plan developed under subsection (a) not later than*
13 *60 days after submitting the plan to Congress under sub-*
14 *section (c), unless within that time the Secretary notifies*
15 *Congress that the plan will not be implemented in that time*
16 *and includes with the notification an explanation why the*
17 *plan will not be implemented in that time.*

18 **(110)***SEC. 437. GAO AUDIT ON STAFFING AND CON-*
19 *TRACTING.*—*The Comptroller General shall audit the oper-*
20 *ations of the Office of Federal Housing Enterprise Oversight*
21 *concerning staff organization, expertise, capacity, and con-*
22 *tracting authority to ensure that the office resources and*
23 *contract authority are adequate and that they are being*
24 *used appropriately to ensure that the Federal National*
25 *Mortgage Association and the Federal Home Loan Mortgage*

1 Corporation are adequately capitalized and operating safe-
2 ly.

3 **(111)**SEC. 438. None of the funds appropriated or
4 otherwise made available to the National Aeronautics and
5 Space Administration by this Act, or any other Act enacted
6 before the date of the enactment of this Act, may be used
7 by the Administrator of the National Aeronautics and
8 Space Administration to relocate aircraft of the National
9 Aeronautics and Space Administration to Dryden Flight
10 Research Center, California, for purposes of the consolida-
11 tion of such aircraft.

12 **(112)**SEC. 439. REVISION OF NAME OF JAPAN-UNIT-
13 ED STATES FRIENDSHIP COMMISSION.—(1)(A) The first
14 sentence of section 4(a) of the Japan-United States Friend-
15 ship Act (22 U.S.C. 2903(a)) is amended by striking out
16 “Japan-United States Friendship Commission” and in-
17 serting in lieu thereof “United States-Japan Commission”.

18 (B) The section heading of such section is amended to
19 read as follows:

20 **“UNITED STATES-JAPAN COMMISSION”.**

21 (2) Subsection (c) of section 3 of that Act (22 U.S.C.
22 2902) is amended by striking out “Japan-United States
23 Friendship Commission” and inserting in lieu thereof
24 “United States-Japan Commission”.

1 (3) *Any reference to the Japan–United States Friend-*
2 *ship Commission in any Federal law, Executive order, reg-*
3 *ulation, delegation of authority, or other document shall be*
4 *deemed to refer to the United States–Japan Commission.*

5 **(113)**SEC. 440. (a) *Subject to the concurrence of the*
6 *Administrator of the General Services Administration*
7 *(GSA) and notwithstanding section 707 of Public Law*
8 *103–433, the Administrator of the National Aeronautics*
9 *and Space Administration may convey to the city of Dow-*
10 *ney, California, all right, title, and interest of the United*
11 *States in and to a parcel of real property, including im-*
12 *provements thereon, consisting of approximately 60 acres*
13 *and known as Parcels III, IV, V, and VI of the NASA In-*
14 *dustrial Plant, Downey, California.*

15 (b)(1) *DELAY IN PAYMENT OF CONSIDERATION.—After*
16 *the end of the 20-year period beginning on the date on*
17 *which the conveyance under subsection (a) is completed, the*
18 *City of Downey shall pay to the United States an amount*
19 *equal to fair market value of the conveyed property as of*
20 *the date of the conveyance from NASA.*

21 (2) *EFFECT OF RECONVEYANCE BY THE CITY.—If the*
22 *City of Downey reconveys all or any part of the conveyed*
23 *property during such 20-year period, the City shall pay to*
24 *the United States an amount equal to the fair market value*
25 *of the reconveyed property as of the time of the reconvey-*

1 *ance, excluding the value of any improvements made to the*
2 *property by the City.*

3 (3) *DETERMINATION OF FAIR MARKET VALUE.—The*
4 *Administrator of NASA shall determine fair market value*
5 *in accordance with Federal appraisal standards and proce-*
6 *dures.*

7 (4) *TREATMENT OF LEASES.—The Administrator of*
8 *NASA may treat a lease of the property within such 20-*
9 *9 year period as a reconveyance if the Administrator deter-*
10 *mines that the lease is being used to avoid application of*
11 *paragraph (b)(2).*

12 (5) *DEPOSIT OF PROCEEDS.—The Administrator of*
13 *NASA shall deposit any proceeds received under this sub-*
14 *section in the special account established pursuant to sec-*
15 *tion 204(h)(2) of the Federal Property and Administrative*
16 *Services Act of 1949 (40 U.S.C. 485(h)(2)).*

17 (c) *The exact acreage and legal description of the real*
18 *property to be conveyed under subsection (a) shall be deter-*
19 *mined by a survey satisfactory to the Administrator. The*
20 *cost of the survey shall be borne by the City of Downey,*
21 *California.*

22 (d) *The Administrator may require such additional*
23 *terms and conditions in connection with the conveyance*
24 *under subsection (a) as the Administrator considers appro-*
25 *priate to protect the interests of the United States.*

1 (e) *If the City at any time after the conveyance of the*
 2 *property under subsection (a) notifies the Administrator*
 3 *that the City no longer wishes to retain the property, it*
 4 *may convey the property under the terms of subsection (b),*
 5 *or, it may revert all right, title, and interest in and to the*
 6 *property (including any facilities, equipment, or fixtures*
 7 *conveyed, but excluding the value of any improvements*
 8 *made to the property by the City) to the United States, and*
 9 *the United States shall have the right of immediate entry*
 10 *onto the property.*

11 **(114)TITLE V**

12 **SUPPLEMENTAL**

13 **(115)DEPARTMENT OF VETERANS AFFAIRS**

14 **VETERANS BENEFITS ADMINISTRATION**

15 **COMPENSATION AND PENSIONS**

16 *For an additional amount for “Compensation and*
 17 *Pensions”, \$100,000,000, to be made available upon enact-*
 18 *ment of this Act, to remain available until expended.*

19 **(116)DEPARTMENT OF HOUSING AND URBAN**

20 **DEVELOPMENT**

21 **GOVERNMENT NATIONAL MORTGAGE ASSOCIATION**

22 **GUARANTEES OF MORTGAGE BACKED SECURITIES LOAN**

23 **GUARANTEE PROGRAM ACCOUNT**

24 *During fiscal year 1996 and in addition to commit-*
 25 *ments previously provided, additional commitments to issue*

1 *guarantees to carry out section 306 of the National Housing*
2 *Act, as amended (12 U.S.C. 1721(g)), shall not exceed*
3 *\$20,000,000,000.*

4 **(117)TITLE VI—NEWBORNS’ AND**
5 **MOTHERS’ HEALTH PROTEC-**
6 **TION ACT OF 1996**

7 **SEC. 601. SHORT TITLE.**

8 *This title may be cited as the “Newborns’ and Mothers’*
9 *Health Protection Act of 1996”.*

10 **SEC. 602. FINDINGS.**

11 *Congress finds that—*

12 *(1) the length of post-delivery inpatient care*
13 *should be based on the unique characteristics of each*
14 *mother and her newborn child, taking into consider-*
15 *ation the health of the mother, the health and stability*
16 *of the newborn, the ability and confidence of the*
17 *mother and father to care for the newborn, the ade-*
18 *quacy of support systems at home, and the access of*
19 *the mother and newborn to appropriate follow-up*
20 *health care; and*

21 *(2) the timing of the discharge of a mother and*
22 *her newborn child from the hospital should be made*
23 *by the attending provider in consultation with the*
24 *mother.*

1 **SEC. 603. REQUIRED COVERAGE FOR MINIMUM HOSPITAL**
2 **STAY FOLLOWING BIRTH.**

3 (a) *IN GENERAL.*—*Except as provided in subsection*
4 *(b), a health plan or an employee health benefit plan that*
5 *provides maternity benefits, including benefits for child-*
6 *birth, shall ensure that coverage is provided with respect*
7 *to a mother who is a participant, beneficiary, or policy-*
8 *holder under such plan and her newborn child for a mini-*
9 *imum of 48 hours of inpatient length of stay following a*
10 *normal vaginal delivery, and a minimum of 96 hours of*
11 *inpatient length of stay following a caesarean section, with-*
12 *out requiring the attending provider to obtain authoriza-*
13 *tion from the health plan or employee health benefit plan.*

14 (b) *EXCEPTION.*—*Notwithstanding subsection (a), a*
15 *health plan or an employee health benefit plan shall not*
16 *be required to provide coverage for post-delivery inpatient*
17 *length of stay for a mother who is a participant, bene-*
18 *ficiary, or policyholder under such plan and her newborn*
19 *child for the period referred to in subsection (a) if—*

20 (1) *a decision to discharge the mother and her*
21 *newborn child prior to the expiration of such period*
22 *is made by the attending provider in consultation*
23 *with the mother; and*

24 (2) *the health plan or employee health benefit*
25 *plan provides coverage for post-delivery follow-up care*
26 *as described in section 604.*

1 **SEC. 604. POST-DELIVERY FOLLOW-UP CARE.**

2 (a) *IN GENERAL.*—

3 (1) *GENERAL RULE.*—*In the case of a decision to*
4 *discharge a mother and her newborn child from the*
5 *inpatient setting prior to the expiration of 48 hours*
6 *following a normal vaginal delivery or 96 hours fol-*
7 *lowing a caesarean section, the health plan or em-*
8 *ployee health benefit plan shall provide coverage for*
9 *timely post-delivery care. Such health care shall be*
10 *provided to a mother and her newborn child by a reg-*
11 *istered nurse, physician, nurse practitioner, nurse*
12 *midwife or physician assistant experienced in mater-*
13 *nal and child health in—*

14 (A) *the home, a provider’s office, a hospital,*
15 *a birthing center, an intermediate care facility,*
16 *a federally qualified health center, a federally*
17 *qualified rural health clinic, or a State health*
18 *department maternity clinic; or*

19 (B) *another setting determined appropriate*
20 *under regulations promulgated by the Secretary,*
21 *in consultation with the Secretary of Health and*
22 *Human Services.*

23 *The attending provider in consultation with the*
24 *mother shall decide the most appropriate location for*
25 *follow-up care.*

1 (2) *CONSIDERATIONS BY SECRETARY.*—*In pro-*
2 *mulgating regulations under paragraph (1)(B), the*
3 *Secretary shall consider telemedicine and other inno-*
4 *vative means to provide follow-up care and shall con-*
5 *sider care in both urban and rural settings.*

6 (b) *TIMELY CARE.*—*As used in subsection (a), the term*
7 *“timely post-delivery care” means health care that is pro-*
8 *vided—*

9 (1) *following the discharge of a mother and her*
10 *newborn child from the inpatient setting; and*

11 (2) *in a manner that meets the health care needs*
12 *of the mother and her newborn child, that provides for*
13 *the appropriate monitoring of the conditions of the*
14 *mother and child, and that occurs not later than the*
15 *72-hour period immediately following discharge.*

16 (c) *CONSISTENCY WITH STATE LAW.*—*The Secretary*
17 *shall, with respect to regulations promulgated under sub-*
18 *section (a) concerning appropriate post-delivery care set-*
19 *tings, ensure that, to the extent practicable, such regulations*
20 *are consistent with State licensing and practice laws.*

21 **SEC. 605. PROHIBITIONS.**

22 *In implementing the requirements of this title, a health*
23 *plan or an employee health benefit plan may not—*

24 (1) *deny enrollment, renewal, or continued cov-*
25 *erage to a mother and her newborn child who are*

1 *participants, beneficiaries or policyholders based on*
2 *compliance with this title;*

3 (2) *provide monetary payments or rebates to*
4 *mothers to encourage such mothers to request less than*
5 *the minimum coverage required under this title;*

6 (3) *penalize or otherwise reduce or limit the re-*
7 *imbursement of an attending provider because such*
8 *provider provided treatment to an individual patient*
9 *in accordance with this title; or*

10 (4) *provide incentives (monetary or otherwise) to*
11 *an attending provider to induce such provider to pro-*
12 *vide treatment to an individual policyholder, partici-*
13 *part, or beneficiary in a manner inconsistent with*
14 *this title.*

15 **SEC. 606. NOTICE.**

16 (a) *EMPLOYEE HEALTH BENEFIT PLAN.*—*An em-*
17 *ployee health benefit plan shall provide conspicuous notice*
18 *to each participant regarding coverage required under this*
19 *Act not later than 120 days after the date of enactment*
20 *of this title, and as part of its summary plan description.*

21 (b) *HEALTH PLAN.*—*A health plan shall provide notice*
22 *to each policyholder regarding coverage required under this*
23 *title. Such notice shall be in writing, prominently posi-*
24 *tioned, and be transmitted—*

1 (1) *in a mailing made within 120 days of the*
2 *date of enactment of this title by such plan to the pol-*
3 *icyholder; and*

4 (2) *as part of the annual informational packet*
5 *sent to the policyholder.*

6 **SEC. 607. APPLICABILITY.**

7 (a) *CONSTRUCTION.—*

8 (1) *IN GENERAL.—A requirement or standard*
9 *imposed under this title on a health plan shall be*
10 *deemed to be a requirement or standard imposed on*
11 *the health plan issuer. Such requirements or stand-*
12 *ards shall be enforced by the State insurance commis-*
13 *sioner for the State involved or the official or officials*
14 *designated by the State to enforce the requirements of*
15 *this title. In the case of a health plan offered by a*
16 *health plan issuer in connection with an employee*
17 *health benefit plan, the requirements or standards im-*
18 *posed under this title shall be enforced with respect to*
19 *the health plan issuer by the State insurance commis-*
20 *sioner for the State involved or the official or officials*
21 *designated by the State to enforce the requirements of*
22 *this title.*

23 (2) *LIMITATION.—Except as provided in section*
24 *608(c), the Secretary shall not enforce the require-*
25 *ments or standards of this title as they relate to*

1 *health plan issuers or health plans. In no case shall*
2 *a State enforce the requirements or standards of this*
3 *title as they relate to employee health benefit plans.*

4 *(b) ERISA.—Nothing in this title shall be construed*
5 *to affect or modify the provisions of section 514 of the Em-*
6 *ployee Retirement Income Security Act of 1974 (29 U.S.C.*
7 *1144).*

8 *(c) EFFECT ON MOTHER.—Nothing in this title shall*
9 *be construed to require that a mother who is a participant,*
10 *beneficiary, or policyholder covered under this title—*

11 *(1) give birth in a hospital; or*

12 *(2) stay in the hospital for a fixed period of time*
13 *following the birth of her child.*

14 *(d) LEVEL AND TYPE OF REIMBURSEMENTS.—Nothing*
15 *in this title shall be construed to prevent a health plan or*
16 *an employee health benefit plan from negotiating the level*
17 *and type of reimbursement with an attending provider for*
18 *care provided in accordance with this title.*

19 **SEC. 608. ENFORCEMENT.**

20 *(a) HEALTH PLAN ISSUERS.—Each State shall require*
21 *that each health plan issued, sold, renewed, offered for sale*
22 *or operated in such State by a health plan issuer meet the*
23 *standards established under this title. A State shall submit*
24 *such information as required by the Secretary demonstrat-*

1 *ing effective implementation of the requirements of this*
2 *title.*

3 (b) *EMPLOYEE HEALTH BENEFIT PLANS.*—*With re-*
4 *spect to employee health benefit plans, the standards estab-*
5 *lished under this title shall be enforced in the same manner*
6 *as provided for under sections 502, 504, 506, and 510 of*
7 *the Employee Retirement Income Security Act of 1974 (29*
8 *U.S.C. 1132, 1134, 1136, and 1140). The civil penalties*
9 *contained in paragraphs (1) and (2) of section 502(c) of*
10 *such Act (29 U.S.C. 1132(c)(1) and (2)) shall apply to any*
11 *information required by the Secretary to be disclosed and*
12 *reported under this section.*

13 (c) *FAILURE TO ENFORCE.*—*In the case of the failure*
14 *of a State to substantially enforce the standards and re-*
15 *quirements set forth in this title with respect to health*
16 *plans, the Secretary, in consultation with the Secretary of*
17 *Health and Human Services, shall enforce the standards*
18 *of this title in such State. In the case of a State that fails*
19 *to substantially enforce the standards set forth in this title,*
20 *each health plan issuer operating in such State shall be sub-*
21 *ject to civil enforcement as provided for under sections 502,*
22 *504, 506, and 510 of the Employee Retirement Income Se-*
23 *curity Act of 1974 (29 U.S.C. 1132, 1134, 1136, and 1140).*
24 *The civil penalties contained in paragraphs (1) and (2) of*
25 *section 502(c) of such Act (29 U.S.C. 1132(c)(1) and (2))*

1 *shall apply to any information required by the Secretary*
2 *to be disclosed and reported under this section.*

3 (d) *REGULATIONS.—The Secretary, in consultation*
4 *with the Secretary of Health and Human Services, may*
5 *promulgate such regulations as may be necessary or appro-*
6 *priate to carry out this title.*

7 **SEC. 609. DEFINITIONS.**

8 *As used in this title:*

9 (1) *ATTENDING PROVIDER.—The term “attend-*
10 *ing provider” shall include—*

11 (A) *the obstetrician-gynecologists, pediatri-*
12 *cians, family physicians, and other physicians*
13 *primarily responsible for the care of a mother*
14 *and newborn; and*

15 (B) *the nurse midwives and nurse practi-*
16 *tioners primarily responsible for the care of a*
17 *mother and her newborn child in accordance*
18 *with State licensure and certification laws.*

19 (2) *BENEFICIARY.—The term “beneficiary” has*
20 *the meaning given such term under section 3(8) of the*
21 *Employee Retirement Income Security Act of 1974*
22 *(29 U.S.C. 1002(8)).*

23 (3) *EMPLOYEE HEALTH BENEFIT PLAN.—*

24 (A) *IN GENERAL.—The term “employee*
25 *health benefit plan” means any employee welfare*

1 *benefit plan, governmental plan, or church plan*
2 *(as defined under paragraphs (1), (32), and (33)*
3 *of section 3 of the Employee Retirement Income*
4 *Security Act of 1974 (29 U.S.C. 1002 (1), (32),*
5 *and (33))) that provides or pays for health bene-*
6 *fits (such as provider and hospital benefits) for*
7 *participants and beneficiaries whether—*

8 *(i) directly;*

9 *(ii) through a health plan offered by a*
10 *health plan issuer as defined in paragraph*
11 *(4); or*

12 *(iii) otherwise.*

13 *(B) RULE OF CONSTRUCTION.—An em-*
14 *ployee health benefit plan shall not be construed*
15 *to be a health plan or a health plan issuer.*

16 *(C) ARRANGEMENTS NOT INCLUDED.—Such*
17 *term does not include the following, or any com-*
18 *bination thereof:*

19 *(i) Coverage only for accident, or dis-*
20 *ability income insurance, or any combina-*
21 *tion thereof.*

22 *(ii) Medicare supplemental health in-*
23 *surance (as defined under section*
24 *1882(g)(1) of the Social Security Act).*

1 (iii) Coverage issued as a supplement
2 to liability insurance.

3 (iv) Liability insurance, including
4 general liability insurance and automobile
5 liability insurance.

6 (v) Workers compensation or similar
7 insurance.

8 (vi) Automobile medical payment in-
9 surance.

10 (vii) Coverage for a specified disease or
11 illness.

12 (viii) Hospital or fixed indemnity in-
13 surance.

14 (ix) Short-term limited duration insur-
15 ance.

16 (x) Credit-only, dental-only, or vision-
17 only insurance.

18 (xi) A health insurance policy provid-
19 ing benefits only for long-term care, nursing
20 home care, home health care, community-
21 based care, or any combination thereof.

22 (4) GROUP PURCHASER.—The term “group pur-
23 chaser” means any person (as defined under para-
24 graph (9) of section 3 of the Employee Retirement In-
25 come Security Act of 1974 (29 U.S.C. 1002(9)) or en-

1 *tity that purchases or pays for health benefits (such*
2 *as provider or hospital benefits) on behalf of partici-*
3 *pants or beneficiaries in connection with an employee*
4 *health benefit plan.*

5 (5) *HEALTH PLAN.—*

6 (A) *IN GENERAL.—The term “health plan”*
7 *means any group health plan or individual*
8 *health plan.*

9 (B) *GROUP HEALTH PLAN.—The term*
10 *“group health plan” means any contract, policy,*
11 *certificate or other arrangement offered by a*
12 *health plan issuer to a group purchaser that pro-*
13 *vides or pays for health benefits (such as pro-*
14 *vider and hospital benefits) in connection with*
15 *an employee health benefit plan.*

16 (C) *INDIVIDUAL HEALTH PLAN.—The term*
17 *“individual health plan” means any contract,*
18 *policy, certificate or other arrangement offered to*
19 *individuals by a health plan issuer that provides*
20 *or pays for health benefits (such as provider and*
21 *hospital benefits) and that is not a group health*
22 *plan.*

23 (D) *ARRANGEMENTS NOT INCLUDED.—Such*
24 *term does not include the following, or any com-*
25 *bination thereof:*

1 (i) Coverage only for accident, or dis-
2 ability income insurance, or any combina-
3 tion thereof.

4 (ii) Medicare supplemental health in-
5 surance (as defined under section
6 1882(g)(1) of the Social Security Act).

7 (iii) Coverage issued as a supplement
8 to liability insurance.

9 (iv) Liability insurance, including
10 general liability insurance and automobile
11 liability insurance.

12 (v) Workers compensation or similar
13 insurance.

14 (vi) Automobile medical payment in-
15 surance.

16 (vii) Coverage for a specified disease or
17 illness.

18 (viii) Hospital or fixed indemnity in-
19 surance.

20 (ix) Short-term limited duration insur-
21 ance.

22 (x) Credit-only, dental-only, or vision-
23 only insurance.

24 (xi) A health insurance policy provid-
25 ing benefits only for long-term care, nursing

1 *home care, home health care, community-*
2 *based care, or any combination thereof.*

3 *(E) CERTAIN PLANS INCLUDED.—Such term*
4 *includes any plan or arrangement not described*
5 *in any clause of subparagraph (D) which pro-*
6 *vides for benefit payments, on a periodic basis,*
7 *for—*

8 *(i) a specified disease or illness, or*
9 *(ii) a period of hospitalization,*
10 *without regard to the costs incurred or services*
11 *rendered during the period to which the pay-*
12 *ments relate.*

13 *(6) HEALTH PLAN ISSUER.—The term “health*
14 *plan issuer” means any entity that is licensed (prior*
15 *to or after the date of enactment of this title) by a*
16 *State to offer a health plan.*

17 *(7) PARTICIPANT.—The term “participant” has*
18 *the meaning given such term under section 3(7) of the*
19 *Employee Retirement Income Security Act of 1974*
20 *(29 U.S.C. 1002(7)).*

21 *(8) SECRETARY.—The term “Secretary” unless*
22 *otherwise specified means the Secretary of Labor.*

1 **SEC. 610. PREEMPTION.**

2 (a) *IN GENERAL.*—*The provisions of sections 603, 605,*
3 *and 606 relating to inpatient care shall not preempt a State*
4 *law or regulation—*

5 (1) *that provides greater protections to patients*
6 *or policyholders than those required in this title;*

7 (2) *that requires health plans to provide coverage*
8 *for at least 48 hours of inpatient length of stay fol-*
9 *lowing a normal vaginal delivery, and at least 96*
10 *hours of inpatient length of stay following a caesar-*
11 *ean section;*

12 (3) *that requires health plans to provide coverage*
13 *for maternity and pediatric care in accordance with*
14 *guidelines established by the American College of Ob-*
15 *stetricians and Gynecologists, the American Academy*
16 *of Pediatrics, or other established professional medical*
17 *associations; or*

18 (4) *that leaves decisions regarding appropriate*
19 *length of stay entirely to the attending provider, in*
20 *consultation with the mother.*

21 (b) *FOLLOW-UP CARE.*—*The provisions of section 604*
22 *relating to follow-up care shall not preempt those provisions*
23 *of State law or regulation that provide comparable or great-*
24 *er protection to patients or policyholders than those re-*
25 *quired under this title or that provide mothers and*

1 newborns with an option of timely post delivery follow-up
2 care (as defined in section 604(b)) in the home.

3 (c) *EMPLOYEE HEALTH BENEFIT PLANS.*—Nothing in
4 this section affects the application of this title to employee
5 health benefit plans, as defined in section 609(3).

6 **SEC. 611. REPORTS TO CONGRESS CONCERNING CHILD-**
7 **BIRTH.**

8 (a) *FINDINGS.*—Congress finds that—

9 (1) *childbirth is one part of a continuum of ex-*
10 *perience that includes prepregnancy, pregnancy and*
11 *prenatal care, labor and delivery, the immediate*
12 *postpartum period, and a longer period of adjustment*
13 *for the newborn, the mother, and the family;*

14 (2) *health care practices across this continuum*
15 *are changing in response to health care financing and*
16 *delivery system changes, science and clinical research,*
17 *and patient preferences; and*

18 (3) *there is a need to—*

19 (A) *examine the issues and consequences as-*
20 *sociated with the length of hospital stays follow-*
21 *ing childbirth;*

22 (B) *examine the follow-up practices for*
23 *mothers and newborns used in conjunction with*
24 *shorter hospital stays;*

1 (C) identify appropriate health care prac-
2 tices and procedures with regard to the hospital
3 discharge of newborns and mothers;

4 (D) examine the extent to which such care
5 is affected by family and environmental factors;
6 and

7 (E) examine the content of care during hos-
8 pital stays following childbirth.

9 (b) *ADVISORY PANEL.*—

10 (1) *IN GENERAL.*—Not later than 90 days after
11 the date of enactment of this title, the Secretary of
12 Health and Human Services shall establish an advi-
13 sory panel (hereafter referred to in this section as the
14 “advisory panel”) to—

15 (A) guide and review methods, procedures,
16 and data collection necessary to conduct the
17 study described in subsection (c) that is intended
18 to enhance the quality, safety, and effectiveness
19 of health care services provided to mothers and
20 newborns;

21 (B) develop a consensus among the members
22 of the advisory panel regarding the appropriate-
23 ness of the specific requirements of this title; and

24 (C) prepare and submit to the Secretary of
25 Health and Human Services, as part of the re-

1 *port of the Secretary submitted under subsection*
2 *(d), a report summarizing the consensus devel-*
3 *oped under subparagraph (B) if any, including*
4 *the reasons for not reaching such a consensus.*

5 *(2) PARTICIPATION.—*

6 *(A) DEPARTMENT REPRESENTATIVES.—The*
7 *Secretary of Health and Human Services shall*
8 *ensure that representatives from within the De-*
9 *partment of Health and Human Services that*
10 *have expertise in the area of maternal and child*
11 *health or in outcomes research are appointed to*
12 *the advisory panel established under paragraph*
13 *(1).*

14 *(B) REPRESENTATIVES OF PUBLIC AND PRI-*
15 *VATE SECTOR ENTITIES.—*

16 *(i) IN GENERAL.—The Secretary of*
17 *Health and Human Services shall ensure*
18 *that members of the advisory panel include*
19 *representatives of public and private sector*
20 *entities having knowledge or experience in*
21 *one or more of the following areas:*

22 *(I) Patient care.*

23 *(II) Patient education.*

24 *(III) Quality assurance.*

25 *(IV) Outcomes research.*

1 (V) *Consumer issues.*

2 (ii) *REQUIREMENT.—The panel shall*
3 *include representatives from each of the fol-*
4 *lowing categories:*

5 (I) *Health care practitioners.*

6 (II) *Health plans.*

7 (III) *Hospitals.*

8 (IV) *Employers.*

9 (V) *States.*

10 (VI) *Consumers.*

11 (c) *STUDIES.—*

12 (1) *IN GENERAL.—The Secretary of Health and*
13 *Human Services shall conduct a study of—*

14 (A) *the factors affecting the continuum of*
15 *care with respect to maternal and child health*
16 *care, including outcomes following childbirth;*

17 (B) *the factors determining the length of*
18 *hospital stay following childbirth;*

19 (C) *the diversity of negative or positive out-*
20 *comes affecting mothers, infants, and families;*

21 (D) *the manner in which post natal care*
22 *has changed over time and the manner in which*
23 *that care has adapted or related to changes in*
24 *the length of hospital stay, taking into account—*

1 (i) the types of post natal care avail-
2 able and the extent to which such care is
3 accessed; and

4 (ii) the challenges associated with pro-
5 viding post natal care to all populations,
6 including vulnerable populations, and solu-
7 tions for overcoming these challenges; and

8 (E) the financial incentives that may—

9 (i) impact the health of newborns and
10 mothers; and

11 (ii) influence the clinical decisionmak-
12 ing of health care providers.

13 (2) *RESOURCES.*—The Secretary of Health and
14 Human Services shall provide to the advisory panel
15 the resources necessary to carry out the duties of the
16 advisory panel.

17 (d) *REPORTS.*—

18 (1) *IN GENERAL.*—The Secretary of Health and
19 Human Services shall prepare and submit to the
20 Committee on Labor and Human Resources of the
21 Senate and the Committee on Commerce of the House
22 of Representatives a report that contains—

23 (A) a summary of the study conducted
24 under subsection (c);

1 (B) a summary of the best practices used in
2 the public and private sectors for the care of
3 newborns and mothers;

4 (C) recommendations for improvements in
5 prenatal care, post natal care, delivery and fol-
6 low-up care, and whether the implementation of
7 such improvements should be accomplished by
8 the private health care sector, Federal or State
9 governments, or any combination thereof; and

10 (D) limitations on the databases in exist-
11 ence on the date of enactment of this title.

12 (2) *SUBMISSION OF REPORTS.*—The Secretary of
13 Health and Human Services shall prepare and sub-
14 mit to the Committees referred to in paragraph (1)—

15 (A) an initial report concerning the study
16 conducted under subsection (c) and the report re-
17 quired under subsection (d), not later than 18
18 months after the date of enactment of this title;

19 (B) an interim report concerning such
20 study and report not later than 3 years after the
21 date of enactment of this title; and

22 (C) a final report concerning such study
23 and report not later than 5 years after the date
24 of enactment of this title.

1 (e) *TERMINATION OF PANEL.*—*The advisory panel*
2 *shall terminate on the date that occurs 60 days after the*
3 *date on which the last report is submitted under this sec-*
4 *tion.*

5 **SEC. 612. SALE OF GOVERNORS ISLAND, NEW YORK.**

6 (a) *IN GENERAL.*—*Notwithstanding any other provi-*
7 *sion of law, the Administrator of General Services shall dis-*
8 *pose of by sale at fair market value all rights, title, and*
9 *interests of the United States in and to the land of, and*
10 *improvements to, Governors Island, New York.*

11 (b) *RIGHT OF FIRST REFUSAL.*—*Before a sale is made*
12 *under subsection (a) to any other parties, the State of New*
13 *York and the city of New York shall be given the right of*
14 *first refusal to purchase all or part of Governors Island.*
15 *Such right may be exercised by either the State of New York*
16 *or the city of New York or by both parties acting jointly.*

17 (c) *PROCEEDS.*—*Proceeds from the disposal of Gov-*
18 *ernors Island under subsection (a) shall be deposited in the*
19 *general fund of the Treasury and credited as miscellaneous*
20 *receipts.*

21 **SEC. 613. SALE OF AIR RIGHTS.**

22 (a) *IN GENERAL.*—*Notwithstanding any other provi-*
23 *sion of law, the Administrator of General Services shall sell,*
24 *at fair market value and in a manner to be determined*
25 *by the Administrator, the air rights adjacent to Washington*

1 *Union Station described in subsection (b), including air*
2 *rights conveyed to the Administrator under subsection (d).*
3 *The Administrator shall complete the sale by such date as*
4 *is necessary to ensure that the proceeds from the sale will*
5 *be deposited in accordance with subsection (c).*

6 (b) *DESCRIPTION.—The air rights referred to in sub-*
7 *section (a) total approximately 16.5 acres and are depicted*
8 *on the plat map of the District of Columbia as follows:*

9 (1) *Part of lot 172, square 720.*

10 (2) *Part of lots 172 and 823, square 720.*

11 (3) *Part of lot 811, square 717.*

12 (c) *PROCEEDS.—Before September 30, 1997, proceeds*
13 *from the sale of air rights under subsection (a) shall be de-*
14 *posited in the general fund of the Treasury and credited*
15 *as miscellaneous receipts.*

16 (d) *CONVEYANCE OF AMTRAK AIR RIGHTS.—*

17 (1) *GENERAL RULE.—As a condition of future*
18 *Federal financial assistance, Amtrak shall convey to*
19 *the Administrator of General Services on or before*
20 *December 31, 1996, at no charge, all of the air rights*
21 *of Amtrak described in subsection (b).*

22 (2) *FAILURE TO COMPLY.—If Amtrak does not*
23 *meet the condition established by paragraph (1), Am-*
24 *trak shall be prohibited from obligating Federal funds*
25 *after March 1, 1997.*

1 **SEC. 614. EFFECTIVE DATE.**

2 *Except as otherwise provided for in this title, the pro-*
 3 *visions of this title shall apply as follows:*

4 *(1) With respect to health plans, such provisions*
 5 *shall apply to such plans on the first day of the con-*
 6 *tract year beginning on or after January 1, 1998.*

7 *(2) With respect to employee health benefit plans,*
 8 *such provisions shall apply to such plans on the first*
 9 *day of the first plan year beginning on or after Janu-*
 10 *ary 1, 1998.*

11 **(118) TITLE VII—MENTAL HEALTH**
 12 **PARITY**

13 **SEC. 701. SHORT TITLE.**

14 *This title may be cited as the “Mental Health Parity*
 15 *Act of 1996”.*

16 **SEC. 702. PLAN PROTECTIONS FOR INDIVIDUALS WITH A**
 17 **MENTAL ILLNESS.**

18 *(a) PERMISSIBLE COVERAGE LIMITS UNDER A GROUP*
 19 *HEALTH PLAN.—*

20 *(1) AGGREGATE LIFETIME LIMITS.—*

21 *(A) IN GENERAL.—With respect to a group*
 22 *health plan offered by a health insurance issuer,*
 23 *that applies an aggregate lifetime limit to plan*
 24 *payments for medical or surgical services covered*
 25 *under the plan, if such plan also provides a*
 26 *mental health benefit such plan shall—*

1 (i) include plan payments made for
2 mental health services under the plan in
3 such aggregate lifetime limit; or

4 (ii) establish a separate aggregate life-
5 time limit applicable to plan payments for
6 mental health services under which the dol-
7 lar amount of such limit (with respect to
8 mental health services) is equal to or greater
9 than the dollar amount of the aggregate life-
10 time limit on plan payments for medical or
11 surgical services.

12 (B) *NO LIFETIME LIMIT.*—With respect to a
13 group health plan offered by a health insurance
14 issuer, that does not apply an aggregate lifetime
15 limit to plan payments for medical or surgical
16 services covered under the plan, such plan may
17 not apply an aggregate lifetime limit to plan
18 payments for mental health services covered
19 under the plan.

20 (2) *ANNUAL LIMITS.*—

21 (A) *IN GENERAL.*—With respect to a group
22 health plan offered by a health insurance issuer,
23 that applies an annual limit to plan payments
24 for medical or surgical services covered under the

1 *plan, if such plan also provides a mental health*
2 *benefit such plan shall—*

3 *(i) include plan payments made for*
4 *mental health services under the plan in*
5 *such annual limit; or*

6 *(ii) establish a separate annual limit*
7 *applicable to plan payments for mental*
8 *health services under which the dollar*
9 *amount of such limit (with respect to men-*
10 *tal health services) is equal to or greater*
11 *than the dollar amount of the annual limit*
12 *on plan payments for medical or surgical*
13 *services.*

14 *(B) NO ANNUAL LIMIT.—With respect to a*
15 *group health plan offered by a health insurance*
16 *issuer, that does not apply an annual limit to*
17 *plan payments for medical or surgical services*
18 *covered under the plan, such plan may not apply*
19 *an annual limit to plan payments for mental*
20 *health services covered under the plan.*

21 *(b) RULE OF CONSTRUCTION.—*

22 *(1) IN GENERAL.—Nothing in this section shall*
23 *be construed as prohibiting a group health plan of-*
24 *fered by a health insurance issuer, from—*

1 (A) *utilizing other forms of cost contain-*
2 *ment not prohibited under subsection (a); or*

3 (B) *applying requirements that make dis-*
4 *tinctions between acute care and chronic care.*

5 (2) *NONAPPLICABILITY.—This section shall not*
6 *apply to—*

7 (A) *substance abuse or chemical dependency*
8 *benefits; or*

9 (B) *health benefits or health plans paid for*
10 *under title XVIII or XIX of the Social Security*
11 *Act.*

12 (3) *STATE LAW.—Nothing in this section shall be*
13 *construed to preempt any State law that provides for*
14 *greater parity with respect to mental health benefits*
15 *than that required under this section.*

16 (c) *SMALL EMPLOYER EXEMPTION.—*

17 (1) *IN GENERAL.—This section shall not apply*
18 *to plans maintained by employers that employ less*
19 *than 26 employees.*

20 (2) *APPLICATION OF CERTAIN RULES IN DETER-*
21 *MINATION OF EMPLOYER SIZE.—For purposes of this*
22 *subsection—*

23 (A) *APPLICATION OF AGGREGATION RULE*
24 *FOR EMPLOYERS.—All persons treated as a sin-*
25 *gle employer under subsection (b), (c), (m), or*

1 (o) of section 414 of the Internal Revenue Code
2 of 1986 shall be treated as 1 employer.

3 (B) *EMPLOYERS NOT IN EXISTENCE IN PRE-*
4 *CEDING YEAR.*—*In the case of an employer which*
5 *was not in existence throughout the preceding*
6 *calendar year, the determination of whether such*
7 *employer is a small employer shall be based on*
8 *the average number of employees that it is rea-*
9 *sonably expected such employer will employ on*
10 *business days in the current calendar year.*

11 (C) *PREDECESSORS.*—*Any reference in this*
12 *subsection to an employer shall include a ref-*
13 *erence to any predecessor of such employer.*

14 **SEC. 703. DEFINITIONS.**

15 *For purposes of this title:*

16 (1) *GROUP HEALTH PLAN.*—

17 (A) *IN GENERAL.*—*The term “group health*
18 *plan” means an employee welfare benefit plan*
19 *(as defined in section 3(1) of the Employee Re-*
20 *irement Income Security Act of 1974) to the ex-*
21 *tent that the plan provides medical care (as de-*
22 *efined in paragraph (2)) and including items and*
23 *services paid for as medical care) to employees or*
24 *their dependents (as defined under the terms of*

1 the plan) directly or through insurance, reim-
2 bursement, or otherwise.

3 (B) *MEDICAL CARE*.—The term “medical
4 care” means amounts paid for—

5 (i) the diagnosis, cure, mitigation,
6 treatment, or prevention of disease, or
7 amounts paid for the purpose of affecting
8 any structure or function of the body,

9 (ii) amounts paid for transportation
10 primarily for and essential to medical care
11 referred to in clause (i), and

12 (iii) amounts paid for insurance cover-
13 ing medical care referred to in clauses (i)
14 and (ii).

15 (2) *HEALTH INSURANCE COVERAGE*.—The term
16 “health insurance coverage” means benefits consisting
17 of medical care (provided directly, through insurance
18 or reimbursement, or otherwise and including items
19 and services paid for as medical care) under any hos-
20 pital or medical service policy or certificate, hospital
21 or medical service plan contract, or health mainte-
22 nance organization contract offered by a health insur-
23 ance issuer.

24 (3) *HEALTH INSURANCE ISSUER*.—The term
25 “health insurance issuer” means an insurance com-

1 pany, insurance service, or insurance organization
2 (including a health maintenance organization, as de-
3 fined in paragraph (4)) which is licensed to engage
4 in the business of insurance in a State and which is
5 subject to State law which regulates insurance (with-
6 in the meaning of section 514(b)(2) of the Employee
7 Retirement Income Security Act of 1974), and in-
8 cludes a plan sponsor described in section 3(16)(B) of
9 the Employee Retirement Income Security Act of
10 1974 in the case of a group health plan which is an
11 employee welfare benefit plan (as defined in section
12 3(1) of such Act). Such term does not include a group
13 health plan.

14 (4) *HEALTH MAINTENANCE ORGANIZATION.*—The
15 term “health maintenance organization” means—

16 (A) a federally qualified health maintenance
17 organization (as defined in section 1301(a) of the
18 Public Health Service Act),

19 (B) an organization recognized under State
20 law as a health maintenance organization, or

21 (C) a similar organization regulated under
22 State law for solvency in the same manner and
23 to the same extent as such a health maintenance
24 organization.

