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FINANCIAL SERVICES AND GENERAL GOVERNMENT  
APPROPRIATIONS BILL, 2019

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JUNE 21, 2018.—Ordered to be printed

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Mr. LANKFORD of Oklahoma, from the Committee on  
Appropriations, submitted the following

**REPORT**

[To accompany S. 3107]

The Committee on Appropriations reports an original bill (S. 3107) making appropriations for financial services and general government for the fiscal year ending September 30, 2019, and for other purposes, reports favorably thereon without amendment and recommends that the bill do pass.

*Amounts of new budget (obligational) authority for fiscal year 2019*

Total of bill as reported to the Senate .....	\$45,944,000,000
Amount of 2018 appropriations .....	48,149,851,000
Amount of 2019 budget estimate .....	49,124,783,000
Bill as recommended to Senate compared to—	
2018 appropriations .....	– 2,205,851,000
2019 budget estimate .....	– 3,180,783,000

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## OVERVIEW AND SUMMARY OF THE BILL

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

The Committee recommends \$45,944,000,000 in discretionary and mandatory appropriations. This represents a decrease of \$2,205,851,000 below the fiscal year 2018 enacted level, and a decrease of \$3,180,783,000 below the budget request. Of the total, \$23,688,000,000 is provided in discretionary appropriations. Mandatory appropriations less scorekeeping adjustments total \$22,256,000,000.

## PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2019, for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177), as amended, with respect to appropriations contained in the accompanying bill, the terms “program, project, and activity” [PPA] shall mean any item for which a dollar amount is contained in appropriations acts (including joint resolutions providing continuing appropriations) or accompanying reports of the House and Senate Committees on Appropriations, or accompanying conference reports and joint explanatory statements of the committee of conference.

## REPROGRAMMING GUIDELINES

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

The Committee retains the requirement that each agency submit an operating plan to the House and Senate Committees on Appropriations not later than 60 days after enactment of this act to establish the baseline for application of reprogramming and transfer authorities provided in this act. Specifically, each agency should

provide a table for each appropriation with columns displaying the budget request; adjustments made by Congress; adjustments for rescissions, if appropriate; and the fiscal year enacted level. The table shall delineate the appropriation both by object class and by PPA. The report must also identify items of special congressional interest.

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

The Committee expects each agency to manage its programs and activities within the amounts appropriated by Congress. The Committee reminds agencies that reprogramming requests should be submitted only in the case of an unforeseeable emergency or a situation that could not have been anticipated when formulating the budget request for the current fiscal year. Further, the Committee notes that when a Department or agency submits a reprogramming or transfer request to the Committees on Appropriations and does not receive identical responses from the House and the Senate, it is the responsibility of the Department or agency to reconcile the House and the Senate differences before proceeding, and if reconciliation is not possible, to consider the request to reprogram funds unapproved.

#### RELATIONSHIP WITH BUDGET OFFICES

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

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

## CONGRESSIONAL BUDGET JUSTIFICATIONS

Budget justifications are prepared not for the use of the agency, but instead are the primary tool used by the House and Senate Committees on Appropriations to evaluate the resource requirements and fiscal needs of agencies. The Committee is aware that the format and presentation of budget materials is largely left to the agency within presentation objectives set forth by the Office of Management and Budget [OMB]. However, the Committee expects agencies to consult with the Committees on Appropriations in advance regarding any plans to modify the format of agency budget documents to ensure that the data needed to make appropriate and meaningful funding decisions is provided.

The Committee directs that justifications submitted with the fiscal year 2020 budget requests by agencies funded under this act must contain the customary level of detailed data and explanatory statements to support the appropriations requests at the level of detail contained in the funding table included at the end of the report. Among other items, agencies shall provide a detailed discussion of proposed new initiatives, proposed changes in the agency's financial plan from prior year enactment, and detailed data on all programs and comprehensive information on any office or agency restructurings. At a minimum, each agency must also provide adequate justification for funding and staffing changes for each individual office. Explanatory materials should compare programs, projects, and activities that are proposed for fiscal year 2020 to the fiscal year 2019 enacted level.

The Committee includes a general provision requiring that agencies provide, as a component incorporated within their fiscal year 2020 budget justification materials submitted to the Committee, a separate table briefly describing the top management challenges for fiscal year 2019 as identified by the agency inspector general, along with an explanation of how the fiscal year 2020 budget request addresses each such management challenge.

The Committee is aware that the analytical materials required for review by the Committee are unique to each agency in this act. Therefore, the Committee expects that each agency will coordinate with the House and Senate Committees on Appropriations in advance on its planned presentation for its budget justification materials in support of the fiscal year 2020 budget request.

## AGENCY REPORTS

As a measure to reduce costs and conserve paper, the Committee reminds agencies funded by this act that currently provide separate copies of periodic reports (such as Performance and Accountability Reports) and correspondence to the chairs of the House and Senate Appropriations Committees and Subcommittees on Financial Services and General Government, and also to the ranking members of the committees and subcommittees, to use a single cover letter jointly addressed to the chairs and ranking members of the Committee and subcommittee of both the House and the Senate. To the greatest extent feasible, agencies should include in the cover letter a reference or hyperlink to facilitate electronic access to the report and provide the documents by electronic mail de-

livery. Consolidating addressees and remitting a copy of the letter and attachments to each recipient should expedite agency processing. This should also help ensure that consistent information is conveyed concurrently to the majority and minority committee offices of both chambers of Congress.

#### ANTIDEFICIENCY ACT VIOLATIONS

The Antideficiency Act is a cornerstone of Federal fiscal law. It forbids agencies from exceeding an appropriation, apportionment, or allotment; from obligating funds before Congress has appropriated them; and from accepting voluntary services or employing personal services exceeding that authorized by law. These prohibitions ensure that agencies operate within amounts that Congress has appropriated and, therefore, that agency activities are carried out in accordance with the will of the people as expressed through Congress.

The Antideficiency Act requires agencies to immediately report violations of the act to Congress and to the President and to transmit a copy of each report to the Comptroller General. These reports must include all relevant facts pertaining to the violation and a statement of action taken. These reports provide information essential to the Committee as it performs oversight and as it considers agency funding levels. Therefore, the Committee directs any agency funded by this Act to concurrently transmit to the Subcommittee on Financial Services and General Government a copy of any Antideficiency Act violation report submitted pursuant to 31 U.S.C. 1351 or 31 U.S.C. 1517(b).

#### OTHER MATTERS AND DIRECTIVES

*Cybersecurity.*—Cybersecurity remains one of the most significant challenges facing the Nation. Recent events have demonstrated that the Federal Government faces an array of cyber-based threats to its systems and data and the results have proven disastrous to millions of Americans. The Committee remains concerned that billions of Federal dollars are spent each fiscal year yet there is no guarantee of security for Americans. The Committee stresses the importance of the role of the Federal Chief Information Officer [CIO] in protecting Federal assets and information and strengthening the Federal Government's overall cybersecurity infrastructure. The Committee is committed to conducting oversight of agencies within its jurisdiction to ensure that funding is being spent wisely and effectively while ensuring that stronger cyber controls are in place. The Committee encourages the Administration and agencies to enhance their cyber strategies and allocate resources accordingly to combat cybercrime and data breaches.



TITLE I  
DEPARTMENT OF THE TREASURY  
DEPARTMENTAL OFFICES  
SALARIES AND EXPENSES

Appropriations, 2018 .....	\$201,751,000
Budget estimate, 2019 .....	201,751,000
Committee recommendation .....	208,751,000

PROGRAM DESCRIPTION

The Secretary of the Treasury has the primary role in formulating and managing the domestic and international tax and financial policies of the Federal Government. The Secretary's responsibilities funded by the Departmental Offices Salaries and Expenses appropriation include: recommending and implementing U.S. domestic and international economic and tax policy; formulating fiscal policy; governing the fiscal operations of the Government; managing the public debt; managing international development policy; representing the United States on international monetary, trade, and investment issues; overseeing Department of the Treasury overseas operations; and directing the administrative operations of the Department of the Treasury. The majority of the Salaries and Expenses appropriation provides resources for policy formulation and implementation in the areas of domestic and international finance, tax, economic, trade, financial operations and general fiscal policy. This appropriation also provides resources to support the Secretary, policy components, and departmental administrative policies in financial and personnel management, procurement operations, and information systems and telecommunications.

COMMITTEE RECOMMENDATION

The Committee recommends \$208,751,000 for the Departmental Offices account of the Department of the Treasury for fiscal year 2019. The recommendation is \$7,000,000 above the enacted level to allow the Department to manage a growing caseload associated with the Committee on Foreign Investment in the United States, invest in information technology improvements, and hire additional staff to conduct economic analysis of tax regulatory actions.

*Wildlife Trafficking.*—The Committee directs the Department to use available resources to pursue and enforce money laundering and other related laws as related to wildlife trafficking and the illegal ivory trade. The Department shall report to the Committee semiannually during fiscal year 2019 on such enforcement actions and other steps taken to carry out the Eliminate, Neutralize, and Disrupt Wildlife Trafficking Act of 2016 during this fiscal year.

*Ivory Poaching.*—Militias, armed groups, insurgents, and even terrorist groups are using profits from illegal ivory poaching and trafficking to further violence in Africa and elsewhere. Often the sales are to China and involve organized crime, shell companies, and arms traffickers. Accordingly, the Committee directs the Department of the Treasury to use available resources to pursue and enforce money laundering and other related laws as related to the illegal ivory trade, particularly in Africa. The Department shall report to the Committee every 6 months during the fiscal year on such enforcement actions taken during the fiscal year.

*Management of Capital Investments.*—The Committee notes that section 123 of the bill requires the Secretary of the Treasury to develop an annual Capital Investment Plan, to be submitted to the Committees on Appropriations of the Senate and the House of Representatives within 30 days following submission of the President's annual budget request. The Committee directs the Department to include estimated funding needs for the lifetime capital costs for each project, not just for the budget year. The Committee also directs the Department to include in the Capital Investment Plan meaningful and understandable summaries of capital investments by project type (e.g., information technology). The Committee directs the Office of the Chief Information Officer to ensure that adequate resources are devoted both to projects in the capital phase and to proper maintenance and modernization of existing systems and to ensure that all projects are tracked properly and described completely in the annual Capital Investment Plan.

*Cybersecurity.*—The Committee supports investments in financial cybersecurity research, and strongly urges the Department of the Treasury, including the Office of Critical Infrastructure Policy, to work with the National Science Foundation, the Department of Homeland Security's Science and Technology Directorate and its Homeland Security Advanced Research Projects Agency, the Intelligence Advanced Research Projects Activity, and others to leverage cybersecurity research and efforts to protect our Nation where it is most vulnerable.

*Puerto Rico.*—The Committee encourages the Department to provide technical assistance to Puerto Rico on stabilizing and strengthening public financial management and financial management systems. The Committee directs the Department to submit a report within 30 days of the end of the fiscal year to the Committees on Appropriations of the House and Senate providing detailed descriptions of any technical assistance that has been provided, including: what activities have been undertaken by Treasury employees in the provision of technical assistance; timeframes within which the activities have occurred; number of full-time-equivalent hours devoted to provision of the activities; and documentation that the activities have occurred.

*Financial Literacy.*—The Committee is concerned about the low level of financial literacy and numeracy skills among the adult population of the United States, as one in seven adults do not have the basic financial literacy skills to succeed in all but the most rudimentary financial literacy tasks. The Committee encourages the Department to explore the degree to which current Federal financial literacy programs benefit those individuals with less than basic

literacy skills and to develop measurable goals and objectives for the Financial Literacy and Education Commission that address the needs of this population. Finally, the Committee urges the Department to explore opportunities to work with rural community-based adult and family literacy organizations to promote and implement future financial literacy initiatives.

*DATA Act.*—In a November 2017 report, the Government Accountability Office [GAO] reviewed the quality of data reported by Federal agencies in accordance with the Digital Accountability and Transparency Act of 2014 (DATA Act). This report found issues and challenges with the completeness and accuracy of the data submitted, use of data elements, and presentation of the data on USA Spending.gov. The report makes six recommendations for Executive Action, four of which are directed at the Department of the Treasury. The Committee directs the Department to continue working toward full compliance under the law and build on progress to date and the recommendations made in the report to improve data quality for the benefit of taxpayers.

OFFICE OF TERRORISM AND FINANCIAL INTELLIGENCE

SALARIES AND EXPENSES

Appropriations, 2018 .....	\$141,778,000
Budget estimate, 2019 .....	159,000,000
Committee recommendation .....	159,000,000

PROGRAM DESCRIPTION

Economic and trade sanctions issued and enforced by the Office of Terrorism and Financial Intelligence’s [TFI] Office of Foreign Assets Control safeguard financial systems against illicit use and combat rogue nations, terrorist facilitators, money launderers, proliferators of weapons of mass destruction, and other national security threats. In addition, TFI produces vital analysis with regard to foreign intelligence and counterintelligence across all elements of the national security community.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$159,000,000 for the Office of Terrorism and Financial Intelligence to carry out its central role in detecting and defeating security threats.

*African Conflicts.*—The Committee is concerned that sanction programs related to African conflicts like South Sudan and human rights programs such as Global Magnitsky are under-staffed. When staff is reassigned during times of crisis to supplement work targeting other regions, the problem is exacerbated. The Committee recommendation includes a significant increase for the Office of Terrorism and Financial Intelligence, and the Committee expects the Department to increase the number of employees in the Office of Terrorism and Financial Intelligence focused on enforcing financial sanctions in African countries.

*Economic Sanctions and Divestments.*—The Committee recommendation includes resources for Terrorism and Financial Intelligence programs. With these funds, the Department will continue to issue and enforce economic and trade sanctions consistent with

national security and foreign policy goals. These sanctions are a key tool for asserting U.S. policy toward countries and entities under sanction. The Committee directs the Department to fully implement all sanctions and divestment measures, particularly those applicable to WMD proliferation, terrorism, transnational organized crime, human rights abuses, drug trafficking, the Islamic State of Iraq and the Levant, Russia, Belarus, North Korea, Iran, Sudan, Syria, Venezuela, Zimbabwe, Burma, and designated rebel groups operating in and around the Democratic Republic of Congo. The Committee directs the Department to promptly notify the Committee of any resource constraints that adversely impact the implementation of any sanctions program.

*Cryptocurrency.*—The Department shall report to the Committees on Appropriations of the House and Senate on the state of anti-money laundering efforts, threats to sanctions enforcement, and the effectiveness of U.S. anti-money laundering laws in combatting cryptocurrency-based money laundering, including any legislative recommendations to improve the interdiction of cryptocurrency-based money laundering and sanctions circumvention schemes.

CYBERSECURITY ENHANCEMENT ACCOUNT

Appropriations, 2018 .....	\$24,000,000
Budget estimate, 2019 .....	25,208,000
Committee recommendation .....	25,208,000

PROGRAM DESCRIPTION

The Cybersecurity Enhancement Account is a dedicated account designed to bolster the Department’s cybersecurity posture and mitigate cybersecurity threats to the U.S. financial infrastructure.

COMMITTEE RECOMMENDATION

The Committee recommends \$25,208,000 in Department-wide funding for focus on critical improvements to systems in the Treasury-wide budget activity identified in the congressional justification for this new account, including the Treasury Secure Data Network, the Fiscal Service Trusted Internet Connections, and the other systems that have been identified as High Value Assets. The funding will also support identification and protection of information systems; detection of threat actors; and response and recovery from cyber incidents. A portion of the resources will also support a dedicated innovation fund for evolving high impact cyber investments throughout the Department.

*Treasury Chief Information Officer Oversight.*—Cybersecurity remains one of the most significant challenges facing the Nation. Recent events have demonstrated that the Federal Government faces an array of cyber-based threats to its systems and data and the results have proven disastrous to millions of Americans. The Committee directs the Treasury CIO to review and approve each investment under the Cybersecurity Enhancement Account and report to the Committees on Appropriations of the House and the Senate each quarter on the progress of each investment. In order to help ensure that the Treasury CIO retains control over the execution of these funds, the Committee recommendation does not permit transfers of funds from the Cybersecurity Enhancement Account and

does not adopt the language in the request allowing these funds to be obligated and expended through allocation accounts available to individual offices and bureaus.

*Spend Plans.*—To improve oversight of these funds across the Department, the Committee expects the CIOs of each office and bureau of the Treasury to submit a spend plan for each prospective investment under this heading to the Treasury Department CIO for review. The Committee directs the Treasury CIO to review each investment submitted under the Cybersecurity Enhancement Account heading to improve oversight of these funds across the Department; none of the funds under this heading will be available to fund such an investment without the approval of the Treasury CIO.

The spend plans should include how the investment will: enhance Department-wide coordination of cybersecurity efforts and improve the Department’s responsiveness to cybersecurity threats; provide bureau and agency leadership with greater visibility into cybersecurity efforts and further encourage information sharing across bureaus; improve identification of cyber threats and better protect information systems from attack; provide a platform to enhance efficient communication, collaboration, and transparency around the common goal of improving not only the cybersecurity of the Treasury Department, but also the Nation’s financial sector. The spend plans should also detail the type of cybersecurity enhancement the investment represents, and the cost, scope, schedule of the investment, and explain how it complements existing cyber efforts.

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

Appropriations, 2018 .....	\$4,426,000
Budget estimate, 2019 .....	4,000,000
Committee recommendation .....	4,000,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends \$4,000,000 for Department-wide Systems and Capital Investments Programs [DSCIP].

The Committee notes that the DSCIP account has been utilized to fund a wide variety of multiyear initiatives. Given the complexity of these initiatives, the bill includes language in section 123 directing the Department of the Treasury to submit an annual Capital Investment Plan to the Committees on Appropriations within 30 days after the President’s budget submission.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Appropriations, 2018 .....	\$37,044,000
Budget estimate, 2019 .....	36,000,000
Committee recommendation .....	37,044,000

PROGRAM DESCRIPTION

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

The OIG conducts and supervises audits, evaluations, and investigations designed to: (1) promote economy, efficiency, and effectiveness and prevent fraud, waste, and abuse in departmental programs and operations; and (2) keep the Secretary and Congress fully and currently informed of problems and deficiencies in the administration of departmental programs and operations. The audit function provides program audit, contract audit, and financial statement audit services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters relative to negotiation, award, administration, repricing, and settlement of contracts. Program audits review and audit all facets of agency operations. Financial statement audits assess whether financial statements fairly present the agency's financial condition and results of operations, the adequacy of accounting controls, and compliance with laws and regulations. These audits contribute significantly to improved financial management by helping Treasury managers identify improvements needed in their accounting and internal control systems. The evaluations function reviews program performance and issues critical to the mission of the Department. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations.

COMMITTEE RECOMMENDATION

The Committee recommends \$37,044,000 for salaries and expenses of the Office of Inspector General. This amount is equal to the fiscal year 2018 enacted level.

The Committee directs the Inspector General to utilize funds provided to meet mandated audit requirements such as information security in addition to other prioritized work including Treasury's responsibilities as they relate to combatting terrorist financing and money laundering.

The Committee remains concerned about cyber-based threats as Treasury's information systems are critical to the core functions of government and the Nation's financial infrastructure. The Committee encourages the Inspector General to conduct oversight work on the potential vulnerability of Treasury's networks and systems including its physical security, continuous monitoring, and strong authentication.

## TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

## SALARIES AND EXPENSES

Appropriations, 2018 .....	\$169,634,000
Budget estimate, 2019 .....	161,113,000
Committee recommendation .....	169,634,000

## PROGRAM DESCRIPTION

The Treasury Inspector General for Tax Administration [TIGTA] was established by the IRS Restructuring and Reform Act of 1998 (Public Law 105–206). TIGTA was created to provide independent audit and investigative services necessary to improve the quality and credibility of oversight of the Internal Revenue Service [IRS] and ensure that the IRS is held to a high level of accountability.

TIGTA conducts audits, investigations, and inspections and evaluations to assess the operations and programs of the IRS and related entities, the IRS Oversight Board and the Office of Chief Counsel to (1) promote the economic, efficient, and effective administration of the Nation’s tax laws and to detect and deter fraud and abuse in IRS programs and operations; and (2) recommend actions to resolve fraud and other serious problems, abuses, and deficiencies in these programs and operations, and keep the Secretary and Congress fully and currently informed of these issues and the progress made in resolving them.

The audit function provides program audit, limited contract audit, and financial audit services. Program audits review and audit all facets of the IRS and related entities in an effort to improve IRS systems and operations, while ensuring fair and equitable treatment of taxpayers. Contract audits focus on invoices/vouchers submitted to the IRS to determine whether charges are valid and to identify erroneous and improper payments. The investigative function provides for the detection and investigation of improper and illegal activities involving IRS programs and operations and protects the IRS and related entities against external attempts to corrupt or threaten the administration of the tax laws.

During fiscal year 2017, TIGTA recovered, protected, and identified monetary benefits totaling \$187,000,000. In fiscal year 2017, TIGTA received 10,638 complaints, opened 2,835 investigations, and closed 2,876 investigations.

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$169,634,000 for TIGTA. This amount is the same as the fiscal year 2018 enacted level. The Committee recognizes the expansive workload that TIGTA has assumed as well as considerable demands on its resources in order to be responsive to Congress. The Committee acknowledges the challenges TIGTA faces in adapting its oversight activities to address increasingly complex and high-risk issues associated with IRS operations, including protecting sensitive taxpayer data, detection and investigation of fraud and electronic crime, impersonation scams, and review of procurement activities. The Committee recognizes that growth in the size and workload of the IRS generates concomitant increased work for TIGTA.

Since fiscal year 2011, TIGTA has designated the security of taxpayer data as the top concern facing the IRS based on the increased number and sophistication of threats to taxpayer information and the need for the IRS to better protect taxpayer data. The IRS is responsible for safeguarding a vast amount of sensitive financial and personal data, processing returns that contain confidential information for over 100 million taxpayers. Persistent information security weaknesses put the IRS at risk of disruption, fraud, or inappropriate disclosure of sensitive information.

Recent cyber events involving the IRS have illustrated that bad actors are constantly seeking new ways to attack and exploit IRS systems and processes in order to access tax information for the purpose of stealing identities and filing fraudulent tax returns. As the IRS expands online tools available to taxpayers through its Future State initiative it is imperative that the IRS implement necessary security controls. The Committee appreciates the work TIGTA has performed to evaluate whether the IRS has properly implemented secure electronic authentication in accordance with Federal standards and encourages TIGTA to keep the Committee informed of the IRS’s responses to its recommendations. In addition, the Committee looks forward to reviewing TIGTA’s audit assessing the effect of legacy systems on the IRS’s ability to deliver modernized tax administration.

The Tax Cuts and Jobs Act of 2017 makes significant changes to the tax code affecting individuals, businesses, and tax-exempt organizations and the IRS has numerous responsibilities in accordance with this act such as hiring additional staff, updating information technology [IT] systems, and making necessary changes to forms and publications used by taxpayers. The Committee acknowledges TIGTA’s initial assessment of the IRS’s implementation efforts and looks forward to reviewing TIGTA’s future work to monitor the IRS’s efforts to implement the Tax Cuts and Jobs Act of 2017.

*Combating IRS Impersonation Scams.*—According to TIGTA, as of April 2018, more than 2,100,000 Americans have been targeted by an IRS impersonation scam. Additionally, more than 12,700 Americans have lost a total of at least \$66,900,000 to IRS impersonation scams. Given the ubiquitous nature of this scam, the Committee commends the work that TIGTA has done thus far to combat these scams, encourages TIGTA to continue to prioritize working with the IRS to increase awareness of this scam, and urges TIGTA to pursue the criminals perpetrating this fraud.

SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM

SALARIES AND EXPENSES

Appropriations, 2018 .....	\$34,000,000
Budget estimate, 2019 .....	17,500,000
Committee recommendation .....	17,500,000

PROGRAM DESCRIPTION

The Emergency Economic Stabilization Act (Public Law 110–343) established the Office of the Special Inspector General for the Trou-



bled Asset Relief Program [SIGTARP] to perform audits and investigations of the Troubled Asset Relief Program [TARP].

COMMITTEE RECOMMENDATION

The Committee recommends \$17,500,000 for SIGTARP for fiscal year 2019. The recommendation is \$16,500,000 below the fiscal year 2018 enacted level and equal to the budget request.

The Committee notes that less than 1 percent of TARP investments remain outstanding, the application periods for the Federal Housing Administration Refinance program and Making Home Affordable initiative have ended, and nearly 70 percent of Housing Finance Agency Hardest Hit Fund disbursements have occurred. The Committee notes SIGTARP has found fraud, waste, and abuse in TARP programs that have disbursed funds. The Committee expects SIGTARP to continue winding down its operations as disbursements under TARP housing programs are paid out and SIGTARP approaches its sunset date.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

Appropriations, 2018 .....	\$115,003,000
Budget estimate, 2019 .....	117,800,000
Committee recommendation .....	117,800,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends \$117,800,000 for FinCEN. The amount is \$2,797,000 above the fiscal year 2018 enacted level to

enhance FinCEN's national security capacity and develop a non-bank financial institution risk assessment model.

*Money Laundering of Cybercrime Proceeds.*—The Committee recognizes that major data security breaches are becoming more common and are often orchestrated by sophisticated cybercriminal enterprises who then monetize the data and launder it through U.S. financial institutions. The Committee notes FinCEN's history of supporting law enforcement cases that combat cybercrime, and emphasizes the importance of continuing this effort as part of the bureau's broader mission to detect and disrupt all forms of financial crime. In addition to analyzing financial flows for this important effort in the course of ongoing strategic operations, FinCEN shall continue to use this data to ensure reporting institutions remain vigilant in detecting the laundering of cybercriminal proceeds. The Committee notes that FinCEN has issued two cyber-related advisories to financial institutions concerning, respectively, cyber-events and cyber-enabled crime generally and on business e-mail compromise more specifically. The advisories assisted financial institutions in understanding how to identify and report suspicious cyber-related activity. The Committee encourages FinCEN to continue to issue cyber-related advisories or other publications, as appropriate, to keep financial institutions apprised of the trends, typologies, red flag indicators, and other information that may assist financial institutions in reporting cyber-related suspicious activities.

*Money Laundering by Foreign Agents.*—The Committee is concerned by the increased use of the U.S. financial system by corrupt foreign government officials and private citizens engaged in criminal enterprises, as these illegal practices are often used to finance additional criminal activity and encourage domestic repression in countries including, but not limited to, Venezuela. The Committee encourages FinCEN to continue to work closely with the Department of Justice in its efforts to investigate these crimes so that the assets of persons and entities involved in money laundering through U.S. financial institutions may be frozen and that ensuing cases may be prosecuted to the fullest extent.

*Beneficial Ownership.*—FinCEN's Customer Due Diligence Requirements for Financial Institutions [CDD Rule] went into effect on May 11, 2018. The CDD Rule requires enhanced due diligence requirements for financial institutions to identify and verify the beneficial owners of legal entity customers at the time of account openings. The beneficial ownership requirement is intended to address weaknesses in the financial system and provide information that will assist law enforcement in financial investigations, help prevent evasion of targeted financial sanctions, improve the ability of financial institutions to assess risk, facilitate tax compliance, and advance U.S. compliance with international standards and commitments. The Committee recognizes the challenges smaller community banks and credit unions face with regulations as they can be more costly and burdensome and encourages the Secretary of the Treasury to keep the Committee informed of the impact the CDD Rule is having on these institutions.

BUREAU OF THE FISCAL SERVICE  
SALARIES AND EXPENSES

Appropriations, 2018 .....	\$338,280,000
Budget estimate, 2019 .....	330,837,000
Committee recommendation .....	338,280,000

PROGRAM DESCRIPTION

The mission of the Fiscal Service is to promote the financial integrity and operational efficiency of the U.S. Government through accounting, borrowing, collections, payments, and shared services. The Fiscal Service provides central payment services to Federal agencies and operates the Federal Government’s collections and deposit systems in addition to providing Governmentwide accounting and reporting services, managing the collection of delinquent debt owed to the Federal Government, borrowing on behalf of the Federal Government, and providing support services for other Federal agencies on a reimbursable basis.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$338,280,000 for the Bureau of the Fiscal Service. This amount is equal to the fiscal year 2018 enacted level.

*Judgment Fund Transparency.*—The Judgment Fund is a permanent, indefinite appropriation available to pay final money judgments and awards against the United States pursuant to section 1304 of title 31 of the United States Code. The Judgment Fund is also available to pay compromise settlements entered into by the U.S. Department of Justice related to actual or imminent litigation.

Transparency and accountability are essential and reasonable expectations of American taxpayers, yet the Committee remains concerned with the lack of transparency with these taxpayer funded payments.

The Judgment Fund Section in the Bureau of the Fiscal Service administers the Judgment Fund, and the Committee directs the Department to issue the 2018 report within 60 days of enactment of this Act for the 2018 fiscal year, and directs that the report include all judgment fund payments since 2016, unless the disclosure of such information is otherwise prohibited by law or court order. With respect to each payment made from the Judgement Fund, the report shall consist of: (1) the name of the plaintiff or claimant; (2) the name of the counsel for the plaintiff or claimant; (3) the name of the agency that submitted the claim; (4) a brief description of the facts that gave rise to the claim; and (5) the amount paid representing principal, attorney fees, and interest, if applicable. In addition, if a payment is made to a foreign state, the Department shall include a description of the payment method, the currency denomination used for the payment, and the name and location of the financial institution to which the payment was dispersed if it is owned or controlled by a foreign state.

*DATA Act.*—The Committee is supportive of the Department’s implementation of the DATA Act (Public Law 113–101). The Fiscal Service has worked to establish a DATA Act schema that leverages industry standards to create a Government-wide data structure for

Federal spending information. The Committee expects the Fiscal Service to continue to work with Federal agencies to improve implementation of section 5 of the DATA Act.

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

SALARIES AND EXPENSES

Appropriations, 2018 .....	\$111,439,000
Budget estimate, 2019 .....	114,427,000
Committee recommendation .....	111,439,000

PROGRAM DESCRIPTION

The Alcohol and Tobacco Tax and Trade Bureau [TTB] is charged with collecting revenue and protecting the public and is responsible for enforcement of certain Federal laws and regulations relating to alcohol and tobacco. TTB works directly and in cooperation with others to maintain a sound revenue management and collection system that continues to reduce the regulatory burden, improve service, collect the revenue due, and prevent tax evasion and other criminal conduct. TTB is also responsible for preventing consumer deception, ensuring that regulated products comply with Federal commodity, safety, and distribution requirements, and providing customer service.

COMMITTEE RECOMMENDATION

The Committee recommends \$111,439,000 for TTB activities including full implementation of the Craft Beverage Modernization Act (Public Law 115–97).

*Labeling Program.*—The surge of small brewers, distillers, and wine makers emerging in the domestic market has also meant a rapid annual growth in the number of alcohol beverage label, formula, and permit applications submitted to the TTB. In recent years, understaffing and outdated filing and processing procedures in the Bureau’s labeling, formula, and permitting programs caused significant delays in application approvals. These delays ultimately affected the ability of the applicants to get their product to the market in a timely manner. The Committee encourages the Bureau to continue to make strategic investments that will further streamline the approval process to keep up with the volume of label, formula, and permit applications and reduce delays.

*Trade Practice Enforcement.*—Enforcement of trade practice functions, as required under the Federal Alcohol Administration Act, is critical to ensuring a competitive, fair, and safe marketplace. The Committee expects funds to continue to be used for the Bureau’s programs to enforce trade practice violations.

UNITED STATES MINT

UNITED STATES MINT PUBLIC ENTERPRISE FUND

PROGRAM DESCRIPTION

The United States Mint manufactures coins, sells numismatic and investment products, and provides for security and asset protection. Public Law 104–52 established the U.S. Mint Public Enter-

prise Fund [the Fund]. The Fund encompasses the previous Salaries and Expenses, Coinage Profit Fund, Coinage Metal Fund, and the Numismatic Public Enterprise Fund. The Mint submits annual audited business-type financial statements to the Secretary of the Treasury and to Congress in support of the operations of the revolving fund.

The operations of the Mint are divided into two major activities: manufacturing and sales (including circulating coinage and numismatic and investment products); and protection. The Mint is credited with receipts from its circulating coinage operations, equal to the full cost of producing and distributing coins that are put into circulation, including depreciation of the Mint's plant and equipment on the basis of current replacement value. Those receipts pay for the costs of the Mint's operations, which include the costs of production and distribution.

COMMITTEE RECOMMENDATION

The Committee recommends a spending level of \$30,000,000 for circulating coinage and protective service capital investments for the Mint.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT

Appropriations, 2018 .....	\$250,000,000
Budget estimate, 2019 .....	14,000,000
Committee recommendation .....	250,000,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends \$250,000,000 for the CDFI Fund. Of the amounts provided, \$182,000,000 is for financial and technical assistance grants, \$16,000,000 is for Native Initiatives, \$25,000,000 is for the Bank Enterprise Award Program, and \$27,000,000 is for the administrative expenses for all programs.

The Committee notes the CDFI Fund's ability to leverage private sector investment in community development projects such as affordable housing, retail development, and community centers, as well as lending to small businesses. However, the Committee remains concerned about an overall lack of transparency into many

of the CDFI Fund's programs and nominal ability to verify investment impacts. The Committee strongly believes it is important to ensure that CDFIs are delivering investments to the borrowers and communities that need it most. The Committee notes the steps the CDFI fund has taken to facilitate better data collection, integration, and management through its Awards Management Information System [AMIS]. The Committee provides \$1,000,000 for the development of tools, including AMIS, to better measure and assess CDFI investment performance, improve data quality, and enable more efficient allocation of CDFI Fund resources. The Committee directs the CDFI Fund to prioritize completion of such tools in fiscal year 2019. In addition, the Committee directs the Secretary to report to the Appropriations Committees within 90 days of enactment on the impact fiscal year 2017 CDFI Fund Awardees are having in the communities they serve; the overall risk to which the Fund's portfolio is exposed; and a description of awardees that are at risk of noncompliance.

*Core Program.*—The Committee recommends \$182,000,000 for the CDFI Fund to carry out its financial assistance and technical assistance programs, including the Healthy Foods Financing Initiative. The Committee believes that applicants for CDFI awards should receive fair and equal consideration, consistent with section 102 of the Riegle Community Development and Regulatory Improvement Act of 1994 (Public Law 103–325), including financial and technical assistance for lending and investment in small businesses, affordable housing, community development, and efforts to increase the availability of affordable, healthy foods in underserved communities. The core CDFI Program should be the source of awards allocations for these purposes.

*CDFI Program Integration for Individuals With Disabilities.*—The Committee notes the bill does not include dedicated funds for financial and technical assistance grants to position more CDFIs to incorporate the needs of the disabled into their business plans and practices but highlights that dedicated funds provided in fiscal year 2017 and fiscal year 2018 for this purpose are available until September 30, 2019. As previously directed, the CDFI Fund must submit a report not later than the end of fiscal year 2019 that includes the number of awards, amount of each award, and anticipated projects funded as well as findings and recommendations related to the efficacy of award efforts and impacts on the disability community.

*Bank Enterprise Award Program.*—The Committee recommends \$25,000,000 for the Bank Enterprise Award Program to increase lending, investment, and service activities within economically distressed communities. This program plays an important role in providing financial services to underserved communities across the country.

*Native Programs.*—The Committee recommends \$16,000,000 for grants, loans, and technical assistance and training programs to benefit Native American, Alaskan Natives, and Native Hawaiian communities in the coordination of development strategies, increased access to equity investments, and loans for development activities.

The Committee expects the CDFI Fund to ensure no funding is allocated to tribes to support marijuana production, manufacturing, or distribution and report to the Committee on any Tribe who engages in such activities and receives funding appropriated by this act.

*Non-Metropolitan and Rural Areas.*—The Committee directs Treasury to take into consideration the unique conditions, challenges, and scale of non-metropolitan and rural areas when designing and administering programs to address economic revitalization and community development and when making CDFI award decisions. The Committee notes that the CDFI Fund is required by 12 U.S.C. 4706(b) to seek to fund a geographically diverse group of award recipients, including those from non-metropolitan and rural areas. In addition, the Committee directs funding to be used in each program for projects that serve populations living in persistent poverty counties in accordance with this act. The Committee directs the Secretary to report to the Appropriations Committee within 90 days of enactment detailing how the fiscal year 2019 CDFI Program recipients intend to serve non-metropolitan and rural areas and populations living in persistent poverty counties.

*Bond Guarantee Program.*—The Committee includes a provision enabling the Secretary of the Treasury to guarantee up to \$500,000,000 in bonds until December 31, 2019, as authorized by section 1134 of the Small Business Jobs Act of 2010 (Public Law 111–240). The bond guarantees will not result in a cost to the taxpayer. The bonds are intended to support CDFI lending and investment activities in underserved communities by providing a source of long-term capital, and the funds raised through the bonds will be used to capitalize new loans or refinance existing loans.

The Committee notes that several Federal agencies have developed partnerships with the Corporation for National and Community Service [CNCS] to help further the agency goals and to support targeted human capital needs of their grantees, including partnerships with the Federal Emergency Management Agency, the Department of Education, the Department of Transportation, and the U.S. Forest Service. Given that “Economic Opportunity” is one of CNCS’s five key focus areas, the Committee encourages the CDFI Fund to engage with CNCS to explore whether there may be potential opportunities for collaboration on an initiative to train and to place AmeriCorps members at certified CDFIs.

BUREAU OF ENGRAVING AND PRINTING  
PROGRAM DESCRIPTION

The Bureau of Engraving and Printing [BEP] has been the sole manufacturer of U.S. paper currency for almost 150 years. The origin of the BEP is traced to an act of Congress passed on February 25, 1862, 12 Stat. 345, authorizing the Secretary of the Treasury to issue a new currency—United States notes. While this law was the cornerstone authority for the operations of the engraving and printing division of the Treasury for many years, it was not until an Act of June 20, 1874, 18 Stat. 100, that the Congress first referred to this division as the “Bureau of Engraving and Printing.”

The Bureau's status as a distinct bureau within the Department of the Treasury was solidified by section 1 of the Act of June 4, 1897, 30 Stat. 18, which placed all of the business of the BEP under the immediate control of a director, subject to the direction of the Secretary of the Treasury. The 1897 law is now codified in 31 U.S.C. 303.

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

*Washington, DC Production Facility.*—The Committee recognizes that the age and structural design of the Bureau of Engraving and Printing's Washington, DC facility causes production inefficiencies and limits the options available to the BEP in acquiring and installing new manufacturing equipment needed to print the next generation of currency. As a result, the current production facility would require significant and costly renovations to accommodate new up-to-date equipment and achieve manufacturing efficiencies.

Since 2010, BEP has commissioned four studies to investigate alternatives and requirements to ensure future currency production. These studies evaluated the capabilities of the existing DC production facilities, as well as the future of currency demand.

The Department estimates that a new modern production facility that is smaller, more efficient and flexible will enable BEP to reduce its space by 28 percent, reduce annual operating costs by \$38,000,000 and achieve \$579,000,000 in total savings over a decade. Additionally, the main production facility could then be renovated for BEP and other Treasury administrative functions to consolidate the Department's footprint and reduce its reliance on leased spaces in order to save additional taxpayer money.

The Committee includes a provision to allow BEP to utilize its revolving fund to acquire land and construct a replacement currency production facility. As a result, no direct appropriation is required to build or acquire a new facility.

## INTERNAL REVENUE SERVICE

### PROGRAM DESCRIPTION

The Internal Revenue Service administers the Nation's tax laws and collects the revenue that funds more than 92 percent of the Federal Government's operations and public services. The IRS's mission is to provide taxpayers with quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all. The IRS focuses its enforcement programs toward increasing voluntary tax compliance by deterring taxpayers inclined to evade their tax obligations while vigorously pursuing those who violate the law. Each year, IRS employees deal directly with more American taxpayers than any other institution, public or private.



Unfortunately, the IRS does not seem to have its priorities in order. The Committee remains concerned about IRS's Future State vision where taxpayers will rely on online services for their IRS interactions. According to the National Taxpayer Advocate, a central component of the IRS's Future State plan is to migrate taxpayers away from interacting with the agency by phone or in person and toward interacting with the agency through online accounts. In addition, according to the National Taxpayer Advocate, there are about 33 million taxpayers who do not have broadband Internet access, and about 14 million taxpayers who do not have any Internet at all.

While some evolution in service delivery can be expected, it is the IRS's ability to manage that change without adversely impacting taxpayers that is most worrisome. The protection of taxpayer data is of particular concern given the mistakes the IRS has made in the past in its rush to expand online services. The IRS's online tools and applications such as Identity Protection Personal Identification Number, Get Transcript, and the online Data Retrieval Tool used to assist those filling out the Free Application for Federal Student Aid have been subject to cyberattacks, resulting in the loss of taxpayer information. The committee encourages IRS to adhere to recommendations by TIGTA and GAO to strengthen its security controls.

The IRS continues to ignore the impact of its own behavior on the attitudes of taxpayers. When the IRS takes actions that represent a serious breach of the trust of the American people, it undermines taxpayers' faith in the impartiality of the agency. The self-inflicted damage harms the very credibility that is essential for our voluntary compliance system to function. Americans have lost faith in the institution and it is incumbent upon the agency to regain the trust of the taxpayers.

Unfortunately there continues to be evidence of a culture that is simply out of touch with taxpayers and their concerns. When the IRS singles out certain groups for disparate treatment it should not be surprised by the lasting impact such actions have on taxpayer attitudes. When the IRS hires employees with past performance or conduct issues, it does nothing to maintain the public trust in tax administration or build confidence in the IRS's ability to safeguard taxpayer's rights and privacy.

#### COMMITTEE RECOMMENDATION

The Committee recommends a total of \$11,262,554,000 for the Internal Revenue Service for fiscal year 2019.

*Tax Gap.*—The vast majority of Americans voluntarily pay their fair share of taxes, yet there is still a “tax gap.” The tax gap is the difference between what taxpayers are supposed to pay and what they actually do pay. According to IRS estimates, taxpayers collectively pay more than 80 percent of the taxes they owe. In April 2016, IRS estimated that the average annual gross tax gap was \$458,000,000,000 for tax years 2008–2010. However, IRS estimates that through late payments and enforcement actions it eventually will collect an additional \$52,000,000,000 on average for those years, leaving the average net tax gap at \$406,000,000,000 for tax years 2008–2010. In a 2017 report (GAO–18–39), GAO found that

the IRS had moved away from setting specific, numeric goals for improving taxpayer compliance. GAO recommended that the Commissioner of the IRS re-establish goals for improving voluntary compliance and develop and document a strategy that outlines how it will use underlying tax gap data to update compliance strategies to address the tax gap. The Committee directs the Secretary to formally report back in writing within 60 days of enactment on its new and ongoing efforts to address the tax gap. In addition, the Committee directs the Secretary to provide an in-person briefing to the Committees on Appropriations on such a report, as well as its efforts to implement GAO's open recommendations from GAO-18-39.

*Tax Reform.*—The Committee notes the Tax Cuts and Jobs Act (Public Law 115-97) is the most significant revision of the U.S. tax code in over 30 years. Containing hundreds of provisions intended to provide relief to American families and make America's businesses more competitive, implementing the new law will require extensive administrative work in calendar years 2018 and 2019. Recognizing that the IRS would require additional resources to implement the new law in a way that adequately serves taxpayers, facilitates tax compliance, and protects sensitive taxpayer data the Committees on Appropriations provided \$320,000,000 in Public Law 115-141 to be used solely for carrying out Public Law 115-97. The Committee includes a provision that provides an additional \$77,000,000 to continue implementation of Public Law 115-97. The Committee urges the Secretary to keep the Committees of Appropriations informed of its progress in carrying out its responsibilities to provide taxpayer assistance, education, and outreach; revise hundreds of forms, publications, and instructions on an expedited basis; and modify existing tax processing systems to incorporate changes pursuant to Public Law 115-97.

*Information Technology Challenges.*—In fiscal years 2016 and 2017 the IRS spent almost \$6,000,000,000 on IT investments. The Committee agrees with TIGTA that successful modernization of IRS systems and the development and implementation of new information technology applications are critical to meeting the IRS's evolving business needs and to enhancing services provided to taxpayers. In recent testimony, IRS's Deputy Commissioner for Operations Support reported that approximately 64 percent of the agency's IT hardware is aged and out of warranty, and 32 percent of IRS's software is two or more releases behind industry standards. According to TIGTA, the IRS's reliance on legacy systems, aged hardware, and outdated programming languages pose significant risks to the IRS's ability to deliver its mission. The Committee stresses that it is unacceptable for the American taxpayer to not be able to access IRS systems on the deadline to file their tax returns. The Committee urges the IRS to address increased risks facing IRS IT legacy investments and directs the Secretary to report to the Committees on Appropriations within 60 days of enactment with a five-year IT modernization plan for the IRS.

*User Fees.*—Numerous user fees are collected by the IRS for services provided by the IRS to taxpayers. Specifically, the IRS charges user fees for various activities that include assisting taxpayers in complying with their tax liabilities, clarifying the application of the

tax code to particular circumstances, and ensuring the quality of paid preparers of tax returns, among others. Those fees are available for use by the IRS at the discretion of the Commissioner. According to the IRS, it determines the use of user fees based on agency-wide requirements given the total IRS funding available. In its fiscal year 2019 budget request, the IRS estimates user fees of \$498,900,000 will supplement its fiscal 2019 funding. As evidence of its priorities, in fiscal year 2018 the IRS anticipates spending over a third of its user fees on ACA information technology needs. The Committee directs the IRS to submit a user fee spending plan within 60 days of enactment detailing planned spending on its four appropriations accounts—Taxpayer Services, Enforcement, Operations Support, and Business Modernization Systems. Specifically, the Committee would like to see how programs, investments, and initiatives funded through each appropriations account are supported by user fees.

*Cybersecurity.*—The IRS is responsible for safeguarding a vast amount of sensitive financial and personal data, processing returns that contain confidential information for over 100 million taxpayers. Persistent information security weaknesses put the IRS at risk of disruption, fraud, or inappropriate disclosure of sensitive information. TIGTA stated that the security over taxpayer data and protection of the IRS resources was the top priority in its list of top ten management challenges for the IRS for fiscal year 2018. GAO recently reported that numerous deficiencies in the IRS's controls increases the risk that the IRS's network devices and systems could be compromised and used by unauthorized individuals to access sensitive taxpayer data (GAO-18-165). Given the recent breaches to taxpayer data, it is clear the IRS cannot afford to have taxpayer information misused, improperly disclosed, or destroyed. Securing the IRS's systems and protecting taxpayers' information should be a top priority for the IRS.

*Data Security of Minors.*—The Committee directs the IRS to brief the Committees on Appropriations within 90 days of enactment on the status of the data security protections for personally identifiable information of children, including the sufficiency of any existing and newly implemented security procedures and a disclosure of instances where the personal identifying information of a child has been compromised.

*Employee Performance and Conduct.*—The Committee continues past language acknowledging that the IRS must ensure that its employees comply with the tax law in order to maintain the public's confidence. The Committee is concerned about a recent TIGTA report that found that the employee award screening procedures that have been implemented do not fully comply with the Department of Treasury and the Consolidated Appropriations Act requirements. In fiscal year 2016, the IRS issued more than \$1,100,000 in awards and other forms of recognition to 1,147 employees who were not screened per the IRS procedures. In fiscal year 2017, the IRS issued almost \$642,000 in awards to 815 employees who had not been screened per IRS procedures and had received discipline ranging from admonishment to written reprimand for a tax or conduct matter. TIGTA recommended that the IRS Human Capital Officer expand misconduct screening to consider

employees with any level of disciplinary action prior to issuing awards, among other directives. In a separate audit, TIGTA found that the IRS hired more than 10 percent of employees who were previously terminated from the IRS or separated while under investigation for a conduct or performance issue. The Committee agrees with TIGTA that rehiring employees with known conduct and performance issues presents increased risks to the IRS and taxpayers.

*Budget Presentation for Staffing of New Initiatives.*—The Committee strongly believes that transparency in the budget request documents is critical for congressional oversight and informed decisionmaking. The Committee directs that the justification materials submitted by the IRS to the Committee for fiscal year 2020 should accurately reflect the anticipated hiring dates for staff identified for proposed new initiatives. The Committee expects that resources designated for hiring of staff for new initiatives be predicated on the expected hiring dates, and not assume that such planned hiring will occur on one particular date during the fiscal year. The Office of Management and Budget Circular A–11 suggests agencies consider delays in recruiting and hiring when budgeting for staff.

TAXPAYER SERVICES

Appropriations, 2018 .....	\$2,506,554,000
Budget estimate, 2019 .....	2,241,000,000
Committee recommendation .....	2,506,554,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends \$2,506,554,000 for Taxpayer Services. This amount is \$265,554,000 above the budget request and equal to the fiscal year 2018 enacted level to prioritize taxpayer services. Bill language is included providing not less than \$9,890,000 for the tax counseling for the elderly program, not less than \$12,000,000 for low-income taxpayer clinic grants, not less than \$15,000,000, to be available for 2 years, for a community volunteer income tax assistance [VITA] matching grant program for tax return preparation assistance and \$206,000,000 for the Taxpayer Advocate Service of which \$5,000,000 shall be devoted to assisting taxpayers impacted by tax-related identity theft and refund fraud.

Providing quality taxpayer service is a critical component of the IRS's efforts to help the taxpaying public understand their tax obligation while making it easier to participate in the tax system. The Committee notes that the IRS has flexibility in how it allocates user fees as well as the transfer authority among appropriations accounts. In fiscal year 2018, the IRS did not allocate user fees to the Taxpayer Services account for its level of service [LOS]—the

relative success rate of taxpayers who call the IRS toll-free number seeking assistance from a customer service representative—performance since the 2018 omnibus bill provided sufficient appropriations to maintain a 75 percent LOS in fiscal year 2018. According to the IRS, the LOS was better than expected because fewer taxpayers called the IRS. The National Taxpayer Advocate remains concerned about the IRS's recent and continuing reductions in service for taxpayers, including declining to answer all but basic tax law questions during the filing season or any questions after the filing season, eliminating walk-in service at Taxpayer Assistance Centers [TACs], and eliminating the ability of taxpayers to ask questions of the IRS online.

The fiscal year 2019 LOS target is 47 percent and assumes at least \$58,000,000 from user fees. The 2019 filing season LOS is projected to be 55 percent. These targets take into account the potential impact of the Tax Cuts and Jobs Act (Public Law 115–97). The IRS assumes the IRS assistors will need to answer 4 million additional phone calls to maintain the LOS. This represents a 17 percent increase over the 23 million assisted calls answered in fiscal year 2017. The IRS plans to spend \$15,000,000 of the \$320,000,000 provided in the fiscal year 2018 omnibus bill on taxpayer assistance, education, and outreach. The Committee encourages the IRS to use resources available through user fee revenues to augment the direct discretionary appropriation for Taxpayer Services in a manner that reflects taxpayer services as a top priority.

*Future State Vision.*—The Committee remains concerned about the IRS's Future State vision where taxpayers will rely on online services for their IRS interactions. According to the IRS, taxpayer preferences are changing as more taxpayers prefer to interact with the IRS using digital tools at the time and place of their choosing. According to the National Taxpayer Advocate, the IRS Future State strategy fails to acknowledge that taxpayers need, not just prefer, to engage in a conversation with the IRS at many points in their transactions to understand how the complex rules and procedures apply to their particular facts and circumstances. While the online account application is a good information retrieval tool, it is not a substitute for personalized service. Given the impact of recent tax law changes on the fiscal year 2019 filing season, the Committee directs the IRS to provide taxpayers and their representatives with high quality, secure service through all available channels with an emphasis on personalized service.

*Rural Service Delivery Issues.*—The IRS has been plagued by significant wait times and deteriorating rate of response for assistance provided through the national toll-free line. Given the significant changes made to the tax code by the Tax Cuts and Jobs Act, it is more imperative than ever that the IRS offer personal and local assistance to Americans taxpayers. The Committee notes with concern that both the overall number of TACs continues to decline and the number of TACs currently staffed with only one employee continues to increase, often resulting in the effective closures of the sites. While the IRS has created virtual customer service sites in some locations, the technical and financial requirements of these sites have not been made widely available. The Committee is con-

cerned that the actions taken by the IRS and the proposed “Future State” of service leave rural taxpayers reliant on paid preparers or unable to obtain timely and accurate assistance with pre- and post-filing questions. The Committee notes that the IRS has not sought congressional or public comment on its plans or offered any alternatives to meet the needs of rural taxpayers. To rectify this situation, the Committee directed the IRS to report to the Committee within 120 days of enactment of the fiscal year 2018 Consolidated Appropriations Act (Public Law 115–141) the steps being taken to prevent any closures or effective closures of TAC locations, and the status of any proposed alternatives to fully staffed TACs (such as virtual customer service sites). Additionally, the Committee directed the IRS to study the impact of closing a TAC and the adverse effects it has on taxpayers and their interaction with the IRS. The Committee awaits and looks forward to receiving these reports from the IRS within the deadline set forth in Public Law 115–141.

The Committee recognizes the difficulty in hiring specialized positions in TACs in rural field offices. To attract qualified tax specialists to deliver satisfactory customer service for tax filing, the Committee encourages the IRS to hire replacement full-time employees in field offices that are not located within 50 miles from another field office in a state.

*Taxpayer Services in Alaska and Hawaii.*—Given the remote distance of Alaska and Hawaii from the U.S. mainland and the difficulty experienced by Alaska and Hawaii taxpayers in receiving needed tax assistance by the national toll-free line, it is imperative that the Taxpayer Advocate Service Centers in these States are appropriately staffed and capable of resolving taxpayer problems of the most complex nature. The Committee directs the IRS to continue to staff each Taxpayer Advocate Service Center in each of these States with a Collection Technical Advisor and an Examination Technical Advisor in addition to the current complement of office staff. Within 120 days of enactment, the Committee directs the IRS to conduct a study on the cost and feasibility of opening additional TACs or expanding access to virtual face-to-face taxpayer services in these and other remote and rural States with few TACs.

*Community Volunteer Income Tax Assistance.*—The VITA and Tax Counseling for the Elderly [TCE] programs are an important aspect of IRS efforts to provide income tax preparation assistance programs for underserved taxpayers, including rural, elderly, disabled, English as a second language, American Indian, and low-income taxpayers. The Committee provides \$15,000,000 for VITA grants and \$9,890,000 for TCE grants.

*Single Point of Contact for Victims of Identity Theft.*—The Joint Explanatory Statement of the Consolidated Appropriations Act, 2018, directed the IRS to provide victims of tax-related identity theft with the name, email, and telephone number of a single employee to assist them in resolving cases where either the victim’s case involves more than one tax issue or the victim’s case involves more than one tax year. The Committee directs the IRS to report to the Committee on the implementation of this directive and on the full cycle time for resolving identity theft cases.

## ENFORCEMENT

Appropriations, 2018 .....	\$4,860,000,000
Budget estimate, 2019 .....	4,628,000,000
Committee recommendation .....	4,860,000,000

## PROGRAM DESCRIPTION

The Enforcement appropriation provides for the examination of tax returns, both domestic and international; the administrative and judicial settlement of taxpayer appeals of examination findings; technical rulings; monitoring employee pension plans; determining qualifications of organizations seeking tax-exempt status; examining tax returns of exempt organizations; enforcing statutes relating to detection and investigation of criminal violations of the 31 internal revenue laws; identifying underreporting of tax obligations; securing unfiled tax returns; and collecting unpaid accounts.

## COMMITTEE RECOMMENDATION

The Committee recommends \$4,860,000,000 for enforcement activities for fiscal year 2019. This amount is \$232,000,000 above the budget request to help strengthen identity theft protection.

*Combating Refund Fraud and Identity Theft.*—Tax-related identity theft continues to plague the IRS. Following the 2016–2017 data breaches to IRS’s Get Transcript and identity protection personal identification service the IRS learned that the personal data of as many as 100,000 taxpayers could have been compromised from an online tool for students to apply for financial aid. TIGTA has consistently ranked protection of taxpayer data as one of the highest priority challenges facing the IRS while GAO has reported on persistent deficiencies in IRS’s internal controls. The Committee directs the IRS to establish, as a top priority, stronger security measures to protect all tax filers before identity theft occurs, as well as reliable measures to protect tax filers who experience identity theft. The IRS should specifically consider the recommendations of TIGTA, GAO, and the National Taxpayer Advocate and to report back to the Committee on Appropriations within 90 days, documenting its plans to address this problem.

*IRS Private Debt Collection.*—According to the National Taxpayer Advocate, out of the more than 4,100 taxpayers who made payments after their debts were assigned to a private debt collector [PDC], 44 percent had incomes below 250 percent of the Federal poverty level, and 169 should not have been assigned to a PDC in the first place because they were receiving Social Security Disability Insurance or Supplemental Security Income benefits. The Committee is concerned that the IRS did not honor its commitment to exclude these taxpayers’ debts from assignment to PDCs. Therefore, the IRS should use available IRS data to prevent the debts of Social Security Disability Insurance recipients from assignment to PDCs.

*Processing of Applications for Tax-Exempt Status.*—The Committee strongly believes that meaningful, transparent, and sustained corrective action is warranted to restore any erosion of public trust in the IRS, strengthen the agency, and prevent any recurrence of the circumstances that led to the use of inappropriate case

screening criteria in the handling of applications for certain tax-exempt groups based on their political beliefs. In March 2015, TIGTA assessed the IRS's actions in response to its 2013 recommendations to improve the identification and processing of applications for tax-exempt status involving political campaign intervention. TIGTA's report found that the IRS implemented significant changes to the process for reviewing applications for tax-exempt status. The Committee notes language was included in the Consolidated Appropriations Act of 2018 restricting the use of Federal funds to develop new IRS regulations covering section 501(c)(4) and that the same language is continued in this bill.

*Preventing Payroll Tax Fraud.*—The Committee retains an administrative provision enacted for fiscal year 2018 which requires that the IRS issue a notice of confirmation of any address change relating to an employer making employment tax payments; that such notice shall be sent to both the employer's former and new address, and requires that an officer or employee of the IRS shall give special consideration to an offer-in-compromise from a taxpayer who has been the victim of fraud by a third party payroll tax preparer.

*Misclassification of Contractors.*—The Committee remains concerned that staffing within the IRS's SS-8 Program, responsible for making determinations as to a worker's Federal employment tax status, has not always kept pace with the number of SS-8 filings during past filing seasons. The Committee believes that the IRS SS-8 Program is critical to ensuring that workers are classified correctly, identifying leads for employment tax exams and criminal investigations, and combating the underreporting of employment taxes that contributes significantly to the tax gap. The Committee believes it is crucial that the IRS maintain sufficient staffing at all SS-8 processing locations. The Committee directs the IRS to notify the House Appropriations Committee, the Senate Appropriations Committee, the House Ways and Means Committee, and the Senate Finance Committee prior to making any staffing reductions or reallocations within the SS-8 processing program.

OPERATIONS SUPPORT

Appropriations, 2018 .....	\$3,634,000,000
Budget estimate, 2019 .....	4,155,796,000
Committee recommendation .....	3,709,000,000

PROGRAM DESCRIPTION

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



erate the information systems critical to the support of tax administration programs.

COMMITTEE RECOMMENDATION

The Committee recommends \$3,709,000,000 for Operations Support for fiscal year 2019. This amount is \$75,000,000 above the fiscal year 2018 enacted level to provide for investments in information technology infrastructure.

The Committee remains concerned that the IRS continues to supplement this appropriations account with the vast majority of its user fees.

*Information Technology Reports.*—Given the size and significance of the IRS’s IT investments and the challenges inherent in successfully delivering these complex IT investments, it is important that the Committees on Appropriations be provided reliable information to assist with their oversight responsibilities. The Committee directs the IRS to submit quarterly reports on particular major project activities to the Committees on Appropriations and the GAO, no later than 30 days following the end of each calendar quarter in fiscal year 2019. The Committee expects the reports to include detailed, plain English explanations of the cumulative expenditures and schedule performance to date, specified by fiscal year; the costs and schedules for the previous 3 months; the anticipated costs and schedules for the upcoming 3 months; and the total expected costs to complete the major information technology project activities. In addition, the quarterly report should clearly explain when the project was started; the expected date of completion; the percentage of work completed as compared to planned work; the current and expected state of functionality; any changes in schedule; and current risks unrelated to funding amounts and mitigation strategies. The Committee directs the Department of the Treasury to conduct a semi-annual review of the IRS’s IT investments to ensure the cost, schedule, and scope goals of the projects are transparent. The Committee further directs GAO to review and provide an annual report to the Committees evaluating the cost and schedule of activities of all major IRS information technology projects for the year, with particular focus on the projects about which the IRS is submitting quarterly reports to the Committee.

BUSINESS SYSTEMS MODERNIZATION

Appropriations, 2018 .....	\$110,000,000
Budget estimate, 2019 .....	110,000,000
Committee recommendation .....	110,000,000

PROGRAM DESCRIPTION

The Business Systems Modernization appropriation provides resources for the planning and capital asset acquisition of information technology to modernize the IRS business systems.

COMMITTEE RECOMMENDATION

The Committee recommends \$110,000,000 for Business Systems Modernization for fiscal year 2019. This amount is equal to the budget request.

The Committee supports the IRS's priority to modernize operations to gain efficiencies, protect data, and reduce long-term maintenance costs. The Committee remains concerned that the IRS has been using the Individual Master File, which uses an outdated assembly language code, for more than 50 years. The Committee urges the IRS to convert the core Individual Master File functions into Java-based programs and continue efforts to make the Customer Account Data Engine 2 the legal and financial authoritative source of individual taxpayer data.

The Committee expects the IRS to continue to submit quarterly reports to the Committees and GAO during fiscal year 2019, no later than 30 days following the end of each calendar quarter. The Committee expects the reports to include detailed, plain English explanations of the cumulative expenditures and schedule performance to date, specified by fiscal year; the costs and schedules for the previous 3 months; the anticipated costs and schedules for the upcoming 3 months; and the total expected costs to complete major IT investments. In addition, the quarterly report should clearly explain when the project was started; the expected date of completion; the percentage of work completed as compared to planned work; the current and expected state of functionality; any changes in schedule; and current risks unrelated to funding amounts and mitigation strategies. The Committee directs the Department of the Treasury to conduct a semi-annual review of major IT investments to ensure the cost, schedule, and scope goals of the projects are transparent. The Committee further directs GAO to review and provide an annual report to the Committee evaluating the cost and schedule of major IT investments for the year, as well as an assessment of the functionality achieved.

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

#### ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

##### (INCLUDING TRANSFER OF FUNDS)

The Committee includes 12 administrative provisions as follows:

Section 101 continues a provision allowing the IRS to transfer up to 5 percent of any appropriation made available to the agency in fiscal year 2018 to any other IRS appropriation, upon the advance approval of the Committees on Appropriations.

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

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

Section 104 continues a provision directing that funds shall be available for improved facilities and increased staffing to support

sufficient and effective 1–800 help line services for taxpayers including enhanced response time to taxpayer communications, particularly for victims of tax-related crimes.

Section 105 continues a provision requiring videos produced by the IRS to be approved in advance by the Service-Wide Video Editorial Board.

Section 106 continues a provision requiring the IRS to issue notices to employers of any address change request and to give special consideration to offers in compromise for taxpayers who have been victims of payroll tax preparer fraud.

Section 107 continues a provision that prohibits the use of funds by the IRS to target United States citizens for exercising any right guaranteed under the First Amendment to the Constitution.

Section 108 continues a provision that prohibits the use of funds by the IRS to target groups for regulatory scrutiny based on their ideological beliefs.

Section 109 continues a provision that requires the IRS to comply with procedures on conference spending as recommended by the Treasury Inspector General for Tax Administration.

Section 110 continues provision that prohibits the use of funds to give bonuses or hire former employees without consideration of conduct and compliance with Federal tax laws.

Section 111 continues a provision that prohibits the use of funds to violate the confidentiality of tax returns.

Section 112 continues a provision which prohibits funds for pre-populated returns.

Section 113 includes a provision that provides \$77,000,000 to implement Public Law 115–97.

#### ADMINISTRATIVE PROVISIONS—DEPARTMENT OF THE TREASURY

##### (INCLUDING TRANSFERS OF FUNDS)

The Committee includes 13 administrative provisions, as follows:

Section 114 authorizes certain basic services within the Treasury Department in fiscal year 2018, including purchase of uniforms; maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; and contracts with the Department of State for health and medical services to employees and their dependents serving in foreign countries.

Section 115 authorizes transfers, up to 2 percent, between Departmental Offices, Office of Terrorism and Financial Intelligence, Office of Inspector General, Special Inspector General for the Troubled Asset Relief Program, Financial Crimes Enforcement Network, Bureau of the Fiscal Service, and Alcohol and Tobacco Tax and Trade Bureau, appropriations under certain circumstances.

Section 116 authorizes transfers, up to 2 percent, between the Internal Revenue Service and the Treasury Inspector General for Tax Administration under certain circumstances.

Section 117 prohibits the Department of the Treasury and the Bureau of Engraving and Printing from redesigning the \$1 Federal Reserve Note.

Section 118 authorizes the Secretary of the Treasury to transfer funds from Salaries and Expenses, Bureau of the Fiscal Service, to the Debt Collection Fund as necessary to cover the costs of debt col-

lection. Such amounts shall be reimbursed to the Salaries and Expenses account from debt collections received in the Debt Collection Fund.

Section 119 requires prior approval for the construction and operation of a museum by the United States Mint.

Section 120 prohibits the merger of the United States Mint and the Bureau of Engraving and Printing without prior approval of the committees of jurisdiction.

Section 121 authorizes the Department's intelligence activities.

Section 122 permits the Bureau of Engraving and Printing to use not to exceed \$5,000 from the Industrial Revolving Fund for reception and representation expenses.

Section 123 requires the Secretary of the Treasury to develop an annual Capital Investment Plan.

Section 124 continues a provision that requires a report on the Department's Franchise Fund.

Section 125 continues a provision which prohibits the Department from finalizing any regulation related to the standards used to determine the tax-exempt status of a 501(c)(4) organization.

Section 126 continues a provision that requires quarterly reports of the Office of Financial Research and Office of Financial Stability.

Section 127 provides for the reimbursement of certain expenses in fiscal year 2019.

Section 128 allows the Bureau of Engraving and Printing to utilize its revolving fund to construct a replacement currency production facility.

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

THE WHITE HOUSE  
SALARIES AND EXPENSES

Appropriations, 2018 .....	\$55,000,000
Budget estimate, 2019 .....	55,000,000
Committee recommendation .....	55,000,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$55,000,000 for The White House, Salaries and Expenses. The recommendation is equal to the budget request.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

OPERATING EXPENSES

Appropriations, 2018 .....	\$12,917,000
Budget estimate, 2019 .....	13,081,000
Committee recommendation .....	13,081,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$13,081,000 for the Executive Residence at the White House. The Committee recommendation is equal to the fiscal year 2019 request. The bill also continues certain restrictions on reimbursable expenses for use of the Executive Residence.

## WHITE HOUSE REPAIR AND RESTORATION

Appropriations, 2018 .....	\$750,000
Budget estimate, 2019 .....	750,000
Committee recommendation .....	750,000

## PROGRAM DESCRIPTION

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

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$750,000 for White House Repair and Restoration, equal to the fiscal year 2018 enacted level and the budget request.

## COUNCIL OF ECONOMIC ADVISERS

## SALARIES AND EXPENSES

Appropriations, 2018 .....	\$4,187,000
Budget estimate, 2019 .....	4,187,000
Committee recommendation .....	4,187,000

## PROGRAM DESCRIPTION

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

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,187,000 for salaries and expenses of the Council of Economic Advisers. This amount is equal to the budget request.

## NATIONAL SECURITY COUNCIL AND HOMELAND SECURITY COUNCIL

## SALARIES AND EXPENSES

Appropriations, 2018 .....	\$11,800,000
Budget estimate, 2019 .....	13,500,000
Committee recommendation .....	11,800,000

## PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$11,800,000 for the salaries and expenses of the National Security Council and the Homeland Security Council.

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

Appropriations, 2018 .....	\$100,000,000
Budget estimate, 2019 .....	100,000,000
Committee recommendation .....	100,000,000

PROGRAM DESCRIPTION

The Office of Administration provides administrative services to the Executive Office of the President [EOP]. These services, defined by Executive Order 12028 of 1977, include financial, personnel, library and records services, information management systems support, and general office services.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$100,000,000 for the Office of Administration for fiscal year 2019. This amount is equal to the budget request.

The Committee's recommendation includes not to exceed \$12,800,000 to remain available until expended for modernization of the information technology infrastructure within the Executive Office of the President.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

Appropriations, 2018 .....	\$101,000,000
Budget estimate, 2019 .....	103,000,000
Committee recommendation .....	103,000,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$103,000,000 for the Office of Management and Budget, which is \$2,000,000 above the fiscal year 2018 enacted level.

The Committee directs OMB to utilize sufficient resources to respond in a timely and complete manner to requests from Congress, in particular requests related to program funding and operations.

The Committee recommendation includes a \$2,000,000 increase for the Office of Information and Regulatory Affairs to hire additional personnel dedicated to regulatory review and reforms.

*Apportionment.*—The Committee expects prompt apportionment for appropriations made by this Act or any other appropriations Act, while at the same time recognizes that, at times, there may

be valid programmatic reasons for delay in such apportionment. Should circumstances arise that necessitate a delayed apportionment, the Committee expects the Office of Management and Budget to work with the applicable department or agency to make the relevant Appropriations Subcommittee aware of the circumstances causing the delay.

*Intellectual Property Enforcement Coordinator.*—The Committee continues to strongly support the Office of the Intellectual Property Enforcement Coordinator [IPEC], including its important work promoting private sector efforts to reduce online copyright infringement. The Committee directs the Office to continue to promote private sector efforts to reduce online copyright infringement and to implement a meaningful plan, as called for in the Joint Strategic Plan, to enhance capacity building, outreach, and training programs to promote meaningful protection of American intellectual property abroad. Therefore, the Committee recommends no less than three full-time equivalents [FTEs] dedicated solely to the Office of the IPEC from OMB.

*Duplication and Cost Savings.*—For the past 8 years, GAO has published an annual report that identifies Federal agencies, programs, and initiatives with fragmented, overlapping, or duplicative goals or activities. While Congress and Executive branch agencies have made progress in addressing actions that GAO identified from 2011 to 2017, further steps are needed to address the remaining actions GAO has identified. Congress and executive branch agencies have partially or fully addressed 76 percent of the actions GAO identified from 2011 to 2017, resulting in about \$178 billion in financial benefits. GAO estimates that tens of billions more could be saved by fully implementing open actions.

The Office of Management and Budget is directed to submit a report to the Committee, within 180 days of enactment, on actions the Administration is taking and plans to take to address the fragmented, overlapping, or duplicative goals or activities across the Executive Branch identified by the annual GAO reports. As part of this report, OMB should identify any legal impediments to each agency's ability to further reduce fragmented, overlapping, or duplicative goals or activities and suggest legislative recommendations, if applicable.

*Conferences.*—The Committee continues a provision in title VII of the bill requiring agencies to report annually to their inspector general or senior ethics officer on conferences costing more than \$100,000 and to notify the same official of conferences costing more than \$20,000 within 15 days of a conference. The provision also prohibits funding for any travel and conference activities that are not in compliance with OMB Memorandum M-12-12 or any subsequent revisions to that memorandum. Agencies shall report conference expenditures in excess of \$100,000 on agency Web sites and OMB shall notify the Committee annually in writing of any agencies failing to report this information.

*Biodefense Activities.*—The Committee directs OMB to conduct a detailed analysis of the Administration's budget for biodefense activities as part of the annual budget process. Such analysis should display all funds requested for biodefense activities, both mandatory and discretionary, by agency and categorized by biodefense en-



terprise element (threat awareness, prevention, deterrence, preparedness, surveillance and detection, response, attribution, recovery, and mitigation), and bioforensic capabilities. Funding identified by this analysis should be accompanied by detailed explanations of how they align with long-term biodefense goals (as identified by the strategy described under Section 104 of title 6, United States Code). This detailed analysis should be submitted to Congress concurrently with the President’s budget request.

*Government-Wide Provisions.*—The bill includes a variety of general provisions that apply to all Federal agencies funded through the appropriations process. Provisions address a number of issues including workplace policies on illegal drug use, limitations on use of funds for office renovations or the purchase of passenger motor vehicles, improper Internet use and limitations on funding for conferences. The Committee agrees that the responsibility to enforce these provisions lies primarily with the individual agencies. However, the Committee believes that OMB should be responsible for ensuring that all agencies are aware of these provisions and that agencies have the necessary policies and procedures in place to comply with these requirements. The Committee directs OMB to submit, within 45 days of enactment, a plan for ensuring agency awareness and compliance with the government-wide general provisions.

OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

Appropriations, 2018 .....	\$18,400,000
Budget estimate, 2019 .....	17,400,000
Committee recommendation .....	18,400,000

PROGRAM DESCRIPTION

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

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$18,400,000 for ONDCP’s salaries and expenses. The Committee rejects proposals to transfer the High Intensity Drug Trafficking Areas [HIDTA] and Drug-Free Communities programs to the Department of Justice and the Substance Abuse and Mental Health Services Administration, respectively.

*Opioid Crisis.*—The Committee is deeply concerned about the opioid crisis, which impacts communities across the country and affects people from all walks of life, with devastating consequences.

The Office of National Drug Control Policy is a key participant in efforts to combat this epidemic. As ONDCP carries out its mission, it is critically important to ensure that rural and underserved areas that are hardest-hit in the opioid crisis and which have the highest concentrations of opioid-related cases are sufficiently supported in its programs, policies, and activities.

*Opioid Addiction.*—As prescription drug monitoring programs successfully control the supply of prescription drugs available, those struggling with substance abuse disorders who are no longer able to obtain or afford prescription opioids often turn to heroin and other opioids. The Committee recognizes the prevalence of opioid addiction and the resultant increase in trafficking of and addiction to heroin and other emergent threats such as fentanyl. The Committee encourages the HIDTA program through ONDCP, to the extent practicable, to prioritize discretionary funds to aid States that have identified heroin and opioid addiction as an emergent threat, and have developed and implemented community responses to combat addiction to heroin and other opioids. HIDTAs enable necessary coordination of law enforcement efforts and support for state and local law enforcement and must continue to play a significant role in the eradication of heroin and prescription drug diversion.

FEDERAL DRUG CONTROL PROGRAMS

HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

Appropriations, 2018 .....	\$280,000,000
Budget estimate, 2019 .....	.....
Committee recommendation .....	280,000,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$280,000,000 for the HIDTA program. The Committee directs that funding shall be provided for the existing HIDTAs at no less than the fiscal year 2018 level.

ONDCP is directed to consult with the HIDTAs in advance of deciding programmatic spending allocations for discretionary (supplemental) funding, taking particular note of areas with highest rates of overdose deaths.

The Committee recommendation specifies that up to \$2,700,000 may be used for auditing services and associated activities.

*Heroin and Opioid Abuse Initiatives.*—The Committee is gravely concerned about the public health crisis unfolding across the United States as the rate of overdose deaths involving heroin and prescription opioid use has reached record levels. According to the Centers for Disease Control and Prevention, the rate of deaths

from drug overdoses involving opioid pain relievers, heroin, and fentanyl has increased by 200 percent since 2000. The Committee urges ONDCP to consult with the HIDTAs to disrupt the distribution, use, and prevalence of heroin and opioid abuse. Within 90 days of enactment of this act, the Committee directs ONDCP to report to the Committee on how the administration intends to address the distribution, use, and prevalence of heroin, fentanyl and opioid abuse and ONDCP’s coordination with other Federal agencies, Drug-Free Community coalitions, and HIDTA partners to combat this public health crisis.

*Overdose Detection Mapping.*—The Committee is aware of a new HIDTA initiative that may be a model for expansion within the HIDTA program to help local agencies address drug threats and save lives. The Overdose Detection Mapping Application Program [ODMAP] provides real-time overdose surveillance data across jurisdictions to support public safety and public health efforts to mobilize an immediate response to an overdose spike. ONDCP is encouraged to distribute information to regional HIDTA Executive Boards for the purposes of integrating and implementing the ODMAP into each regional Threat Assessment and Strategy for Program Year 2019–2020. This would allow each regional HIDTA Executive Board to work with State and local stakeholders to enact a strategic plan in order to: (1) determine appropriate participants in ODMAP; (2) select team leads; (3) define the number of suspected overdoses in a certain timeframe (“spikes”) that trigger a response plan; (4) interview target audience(s); (5) understand local resources and requirements; and (6) evaluate their results.

OTHER FEDERAL DRUG CONTROL PROGRAMS  
(INCLUDING TRANSFERS OF FUNDS)

Appropriations, 2018 .....	\$117,093,000
Budget estimate, 2019 .....	11,843,000
Committee recommendation .....	117,327,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$117,327,000 for Other Federal Drug Control Programs. Within this amount, the Committee provides the following funding levels:

	Amount
Drug-Free Communities Support Program .....	\$99,000,000
National Community Anti-Drug Coalition training .....	2,000,000

	Amount
Drug court training, including standards training, and technical assistance .....	2,000,000
Anti-doping activities .....	9,500,000
World Anti-Doping Agency (WADA) .....	2,577,000
Activities as authorized by Public Law 109-469, section 1105 .....	1,250,000
Activities as authorized by Public Law 114-198, section 103 .....	3,000,000

*Drug-Free Communities Support Program.*—ONDCP directs the Drug-Free Communities Support Program [DFCSP] in partnership with the Substance Abuse and Mental Health Services Administration. DFCSP provides dollar-for-dollar matching grants of up to \$125,000 to local coalitions that mobilize their communities to prevent youth alcohol, tobacco, illicit drug, and inhalant abuse. Such grants support coalitions of youth; parents; media; law enforcement; school officials; faith-based organizations; fraternal organizations; State, local, and tribal government agencies; healthcare professionals; and other community representatives. The DFCSP enables these coalitions to strengthen their coordination and prevention efforts, encourage citizen participation in substance abuse reduction efforts, and disseminate information about effective programs. The Committee provides \$99,000,000 for the continuation of the DFCSP.

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

#### UNANTICIPATED NEEDS

Appropriations, 2018 .....	\$798,000
Budget estimate, 2019 .....	1,000,000
Committee recommendation .....	1,000,000

#### PROGRAM DESCRIPTION

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

#### COMMITTEE RECOMMENDATION

The Committee recommends \$1,000,000, which is the same as the request.

#### INFORMATION TECHNOLOGY OVERSIGHT AND REFORM

##### (INCLUDING TRANSFERS OF FUNDS)

Appropriations, 2018 .....	\$19,000,000
Budget estimate, 2019 .....	25,000,000
Committee recommendation .....	19,000,000

#### PROGRAM DESCRIPTION

The goal of the Information Technology Oversight and Reform [ITOR] program is to drive value in Federal IT investments by making smarter investment decisions and reducing waste, duplication, and inefficient uses of IT through data-driven investment management, deliver digital services to 25 Federal agencies, and

protect IT assets and information by improving oversight of Federal cybersecurity practices.

COMMITTEE RECOMMENDATION

The Committee recommends \$19,000,000 for the ITOR program. The Federal Government plans to invest approximately \$90,000,000,000 during fiscal year 2019 in IT development for a wide variety of capabilities, spanning, for example, from basic desktop computing to a searchable database for investigating terrorist financing activity. However, it is clear to the Committee that this spending on IT does not produce \$90,000,000,000 in value for the public as a result of IT projects that arrive late or over budget. The Committee notes that Federal IT projects have failed because of a lack of oversight and governance. ITOR funding in fiscal year 2019 is intended to help drive value in Federal IT investments by making smarter investment decisions and reducing waste, duplication, and inefficient uses of IT, delivering digital services, improving oversight of Federal cybersecurity practices, and providing IT training.

*IT Dashboard.*—The Committee supports OMB’s management and enhancement of the IT Dashboard, a Web site that includes cost, schedule, and performance data for major IT investments. The Committee directs OMB to use ITOR funding to work with agencies to implement the Federal Information Technology Acquisition Reform Act, which is designed to improve Federal IT acquisitions. Specifically, the Committee directs OMB to report quarterly to the Committee on Appropriations on the cost savings, avoidance, and reductions in duplicative IT investments.

SPECIAL ASSISTANCE TO THE PRESIDENT

SALARIES AND EXPENSES

Appropriations, 2018 .....	\$4,228,000
Budget estimate, 2019 .....	4,228,000
Committee recommendation .....	4,228,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,228,000 for special assistance to the President. This amount is equal to the fiscal year 2018 enacted level and the budget request.

OFFICIAL RESIDENCE OF THE VICE PRESIDENT

OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2018 .....	\$302,000
Budget estimate, 2019 .....	302,000
Committee recommendation .....	302,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$302,000 for the official residence of the Vice President. This amount is equal to the budget request and the fiscal year 2018 enacted level.

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

(INCLUDING TRANSFER OF FUNDS)

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

Section 202 requires the Director of the OMB to include a statement of budgetary impact with any Executive order issued during fiscal year 2019.

TITLE III  
THE JUDICIARY

PROGRAM DESCRIPTION

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

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

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

SUPREME COURT OF THE UNITED STATES

SALARIES AND EXPENSES

Appropriations, 2018 .....	\$82,028,000
Budget estimate, 2019 .....	84,359,000
Committee recommendation .....	84,703,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$84,703,000 for the salaries and expenses of personnel, and the costs of operating the Supreme Court, excluding the care of the building and grounds. The Committee's recommendation is above the enacted level and equal to reestimate level provided by the Judiciary to address security needs identified by the Court.

## CARE OF THE BUILDING AND GROUNDS

Appropriations, 2018 .....	\$16,153,000
Budget estimate, 2019 .....	15,999,000
Committee recommendation .....	15,999,000

## PROGRAM DESCRIPTION

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

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$15,999,000 for personnel and other services related to the Supreme Court building and grounds, which is supervised by the Architect of the Capitol.

## UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

## SALARIES AND EXPENSES

Appropriations, 2018 .....	\$31,291,000
Budget estimate, 2019 .....	31,274,000
Committee recommendation .....	32,016,000

## PROGRAM DESCRIPTION

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

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

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$32,016,000. The recommendation is consistent with the reestimate provided by the Judiciary.



## UNITED STATES COURT OF INTERNATIONAL TRADE

## SALARIES AND EXPENSES

Appropriations, 2018 .....	\$18,889,000
Budget estimate, 2019 .....	19,070,000
Committee recommendation .....	19,450,000

## PROGRAM DESCRIPTION

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

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$19,450,000. The recommendation is consistent with the reestimate provided by the Judiciary.

## COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

## SALARIES AND EXPENSES

Appropriations, 2018 .....	\$5,099,061,000
Budget estimate, 2019 .....	5,132,543,000
Committee recommendation .....	5,157,961,000

## PROGRAM DESCRIPTION

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

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$5,154,461,000 for salaries and expenses.

The Committee encourages the Judiciary to explore additional consolidation of office space to reduce overall operating costs, including expanded use of shared courtrooms, judges' chambers suites, clerks' offices, and other court units. Within 150 days of enactment, the Judiciary is directed to examine space utilization across the country and report to the Committee on ongoing and future initiatives to achieve cost and space reductions, including the number and square footage of vacant courtrooms and chambers nationwide, and the Judiciary's justification for the vacancies.

## VACCINE INJURY COMPENSATION TRUST FUND

Appropriations, 2018 .....	\$8,230,000
Budget estimate, 2019 .....	8,475,000
Committee recommendation .....	8,475,000

PROGRAM DESCRIPTION

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

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$8,475,000. The recommendation is consistent with the budget request.

DEFENDER SERVICES

Appropriations, 2018 .....	\$1,078,713,000
Budget estimate, 2019 .....	1,141,489,000
Committee recommendation .....	1,140,846,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,140,846,000. The recommendation is \$62,133,000 above the fiscal year 2018 funding level and is sufficient to fund projected caseload for Federal defender organizations and panel attorneys. The Committee’s recommendation supports a current services operating level for the Defender Services program for fiscal year 2019.

FEEES OF JURORS AND COMMISSIONERS

Appropriations, 2018 .....	\$50,944,000
Budget estimate, 2019 .....	51,233,000
Committee recommendation .....	49,750,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$49,750,000. The recommendation is \$3,921,000 below the fiscal year 2018 funding level and consistent with the Judiciary’s reestimate of its request.

COURT SECURITY

(INCLUDING TRANSFERS OF FUNDS)

Appropriations, 2018 .....	\$586,999,000
Budget estimate, 2019 .....	602,309,000
Committee recommendation .....	604,460,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$604,460,000. The recommendation is \$17,461,000 above the fiscal year 2018 funding level and consistent with Judiciary’s reestimate of its request.

The Committee recommendation funds projected Federal Protective Service charges, contracts for court security officers protecting Federal courthouses, and security systems and equipment costs. Funding is included to hire five new staff at the U.S. Marshals Service [USMS] to work on the physical access control systems program as part of the judiciary’s and USMS’s multiyear strategy to replace aging and failing building access systems at Federal courthouses nationwide. Funding is also included for judiciary-funded court security costs associated with new courthouses.

## ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

## SALARIES AND EXPENSES

Appropriations, 2018 .....	\$90,423,000
Budget estimate, 2019 .....	89,867,000
Committee recommendation .....	92,413,000

## PROGRAM DESCRIPTION

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

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$92,413,000. This recommendation is consistent with the Judiciary's reestimate.

## FEDERAL JUDICIAL CENTER

## SALARIES AND EXPENSES

Appropriations, 2018 .....	\$29,265,000
Budget estimate, 2019 .....	29,064,000
Committee recommendation .....	29,819,000

## PROGRAM DESCRIPTION

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

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$29,819,000.

## UNITED STATES SENTENCING COMMISSION

## SALARIES AND EXPENSES

Appropriations, 2018 .....	\$18,699,000
Budget estimate, 2019 .....	18,548,000
Committee recommendation .....	18,548,000

## PROGRAM DESCRIPTION

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

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$18,548,000.

## ADMINISTRATIVE PROVISIONS—THE JUDICIARY

## (INCLUDING TRANSFERS OF FUNDS)

The Committee recommends the following administrative provisions for the judiciary:

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

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

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

Section 304 grants the judicial branch the same tenant alteration authorities as the executive branch.

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

Section 306 extends for 1 year the authorization of a temporary judgeship in Kansas, Missouri, Alabama, Arizona, Florida, New Mexico, Texas, California, North Carolina, and Hawaii.

TITLE IV  
DISTRICT OF COLUMBIA  
FEDERAL PAYMENTS  
FEDERAL FUNDS

The Appropriations Committees have a special relationship with the District of Columbia that is unlike any other city in the country. Under the National Capital Revitalization and Self-Government Improvement Act of 1997, the Federal Government is required to fund the court operations of the District of Columbia, offender and defendant supervision, and defendant representation. Title IV of this act provides Federal payments to meet these statutory obligations. Title IV also includes other Federal payments to fund initiatives in areas including education and security.

*Death with Dignity.*—Congress has expressly forbidden the use of Federal funding for purposes related to assisted suicide under the Assisted Suicide Funding Restriction Act of 1997 (P.L. 105–12). The Committee remains concerned that the Death With Dignity Act of 2016 (D.C. Law 21–182) puts our nation’s most vulnerable—people who are elderly, disabled, or fighting mental illness—at risk. As such, the Chief Financial Officer for the District of Columbia shall submit a report to the Committee to certify that no Federal funds are used to implement D.C. Law 21–182 in the District of Columbia in contravention of existing law. The District shall also report to the Committees on Appropriations on the number of lethal prescriptions prescribed during the fiscal year, the number of patients that actually consumed the medication and the cause of death that was listed on the death certificate.

FEDERAL PAYMENT FOR RESIDENT TUITION SUPPORT

Appropriations, 2018 .....	\$40,000,000
Budget estimate, 2019 .....	
Committee recommendation .....	30,000,000

PROGRAM DESCRIPTION

The Resident Tuition Support program was created by the District of Columbia College Access Act of 1999 (Public Law 106–98), expanded through the District of Columbia College Access Improvement Act of 2002 (Public Law 107–157), and amended and reauthorized through Public Law 110–97. The program provides grants of up to \$10,000 annually for undergraduate District students to attend eligible public 2-year and 4-year colleges and universities nationwide. The grants are applied toward the cost of the difference between in-State and out-of-State tuition. Grants of up to \$2,500 are provided for students to attend private institutions in

the DC metropolitan area and private historically Black colleges and universities nationwide.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$30,000,000 for the resident tuition support program. The District of Columbia can contribute local funds to this program if there is demand for the program above the level of Federal funds available.

Since inception, the Resident Tuition Support program has awarded over \$350,000,000 and assisted over 24,000 students enroll in college. The program has also been expanded twice while enrollment rates and the percentage of undergraduate District students receiving the maximum \$10,000 award have fluctuated. According to the National Center for Education Statistics reports on nationwide undergraduate enrollment, “while total undergraduate enrollment increased by 37 percent between 2000 and 2010, enrollment decreased by 4 percent between 2010 and 2014. Undergraduate enrollment is projected to increase 14 percent from 17.3 million to 19.8 million students between 2014 and 2025.” The 10-year accomplishment report of the Resident Tuition Support program noted that many grantees drop out on their path to a degree and 41 percent graduate from college in 6 years. According to the most recent data available, about 60 percent of students nationwide who began seeking a bachelor’s degree in 2008 completed that degree within 6 years, compared to approximately 51 percent in the Resident Tuition Support program. It is important for the program to realize a return on its investment, wherein every grantee earns a college degree. Given the changing landscape in nationwide college enrollment and graduation rates, the Committee directed GAO in fiscal year 2017 to conduct a review of the D.C. Tuition Assistance Grant program. This review is to assess, to the extent possible, trends in eligibility, enrollment, performance and outcomes, and describe the steps taken to provide support to current participants. The review will also consider other available resources for the program and provide an analysis of scholarship programs offered by other municipalities in the United States, including a comparison of participant requirements, administrative expenses, outcomes and funding sources. The Committee looks forward to receiving this report from GAO.

In addition, the Committee directs that the State Superintendent shall include, as a component of the fiscal year 2020 budget justification submission, an annual update of the District’s efforts, including research findings, to enhance the retention, persistence, and graduation rates of program participants, including early awareness and readiness initiatives to promote academic college preparation, guidance, and other support mechanisms and partnerships. The budget justification should also describe the status and effectiveness of cost containment measures instituted.

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

Appropriations, 2018 .....	\$13,000,000
Budget estimate, 2019 .....	12,000,000
Committee recommendation .....	12,000,000

PROGRAM DESCRIPTION

This Federal payment provides funds for emergency planning and security costs related to the presence of the Federal Government in the District of Columbia and surrounding jurisdictions.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$12,000,000, for emergency planning and security costs, which is equal to the request.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA COURTS

Appropriations, 2018 .....	\$265,400,000
Budget estimate, 2019 .....	244,939,000
Committee recommendation .....	244,939,000

PROGRAM DESCRIPTION

Under the National Capital Revitalization and Self-Government Improvement Act of 1997 (Public Law 105-33, title XI), the Federal Government is required to finance the District of Columbia Courts, the judicial branch of the District of Columbia government. This Federal payment to the District of Columbia Courts funds the operations of the District of Columbia Court of Appeals, Superior Court, the Court System, and the Capital Improvement Program. By law, the annual budget includes estimates of the expenditures for the operations of the Courts prepared by the Joint Committee on Judicial Administration, the Court's policy-making body, as well as the President's recommendation for funding the Courts' operations.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment to the District of Columbia Courts of \$244,939,000. This amount includes \$13,379,000 for the Court of Appeals, \$121,251,000 for the Superior Court, \$71,909,000 for the Court System, and \$38,400,000 for capital improvements to courthouse facilities.

FEDERAL PAYMENT FOR DEFENDER SERVICES IN DISTRICT OF COLUMBIA COURTS

Appropriations, 2018 .....	\$49,890,000
Budget estimate, 2019 .....	46,005,000
Committee recommendation .....	46,005,000

PROGRAM DESCRIPTION

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

In addition to legal representation, these programs provide indigent persons with services such as transcripts of court proceedings,



expert witness testimony, foreign and sign language interpretation, and investigations and genetic testing.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$46,005,000 for Defender Services in the District of Columbia Courts, the same as the budget request.

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

Appropriations, 2018 .....	\$244,298,000
Budget estimate, 2019 .....	256,724,000
Committee recommendation .....	256,724,000

PROGRAM DESCRIPTION

The Court Services and Offender Supervision Agency [CSOSA] for the District of Columbia is an independent Federal agency created by the National Capital Revitalization and Self-Government Improvement Act of 1997 (Public Law 105–33, title XI). CSOSA acquired the operational responsibilities for the former District agencies in charge of probation and parole, and houses the Pretrial Services Agency within its framework. The mission of CSOSA is to increase public safety, prevent crime, reduce recidivism, and support the fair administration of justice in close collaboration with the community.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$256,724,000, which is the same as the request. Of this amount, \$73,558,000 is designated for the Pretrial Services Agency and \$183,166,000 is designated for the Community Supervision Program.

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

Appropriations, 2018 .....	\$41,829,000
Budget estimate, 2019 .....	45,858,000
Committee recommendation .....	45,858,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment to the Public Defender Service for the District of Columbia of \$45,858,000, which is equal to the budget request.

FEDERAL PAYMENT TO THE CRIMINAL JUSTICE COORDINATING COUNCIL

Appropriations, 2018 .....	\$2,000,000
Budget estimate, 2019 .....	1,900,000
Committee recommendation .....	2,150,000

PROGRAM DESCRIPTION

The Criminal Justice Coordinating Council [CJCC] provides a forum for District of Columbia and Federal law enforcement to identify criminal justice issues and solutions, and improve the coordination of their efforts. In addition, the CJCC developed and maintains the Justice Integrated Information System which provides for the sharing of information with Federal and local law enforcement.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$2,150,000 to CJCC.

The Committee recognizes that integrated technology is a critical tool employed by law enforcement, judicial, correctional and supervising agencies. Further, the Committee appreciates the importance of promoting operational security, technical integrity, and system redundancies/fail-safes to ensure continuity of operation of the system in the event an unanticipated circumstance could otherwise render the system inoperable. The Committee recommendation includes increased funding to support the JUSTIS system-to-system related initiatives including the enhancements to the inter-regional usage associated with Mid-Atlantic Regional Information Sharing initiative and enhancements to the system's security posture (including an external review of the system security plan) and redundancy design as a proactive measure to protect against cyber disruption.

The Committee directs the CJCC to submit performance measures in an annual report to accompany the fiscal year 2020 budget justification, which should also describe progress made on specific CJCC initiatives.

FEDERAL PAYMENT FOR JUDICIAL COMMISSIONS

Appropriations, 2018 .....	\$565,000
Budget estimate, 2019 .....	565,000
Committee recommendation .....	565,000

PROGRAM DESCRIPTION

The Judicial Nomination Commission [JNC] recommends a panel of three candidates to the President for each judicial vacancy in the District of Columbia Court of Appeals and Superior Court. From the panel selected by the JNC, the President nominates a person for each vacancy and submits his or her name for confirmation to

the Senate. The Commission on Judicial Disabilities and Tenure [CJDT] has jurisdiction over all judges of the Court of Appeals and Superior Court and makes determinations as to whether a judge’s conduct warrants disciplinary action and whether involuntary retirement of a judge for health reasons is warranted. In addition, the CJDT conducts evaluations of judges seeking reappointment and judges who retire and wish to continue service as a senior judge.

COMMITTEE RECOMMENDATION

The Committee recommends \$565,000 as a Federal payment for the judicial commissions, of which \$270,000 is designated for the Judicial Nomination Commission and \$295,000 is designated for the Commission on Judicial Disabilities and Tenure. This amount is the same as the budget request. Funds shall remain available until September 30, 2020.

FEDERAL PAYMENT FOR SCHOOL IMPROVEMENT

Appropriations, 2018 .....	\$45,000,000
Budget estimate, 2019 .....	45,000,000
Committee recommendation .....	52,500,000

PROGRAM DESCRIPTION

As authorized by Scholarships for Opportunity and Results Act and as part of a three-part comprehensive funding strategy, the District of Columbia receives funds for District of Columbia Public Schools [DCPS], public charter schools, and Opportunity Scholarships. The intent of this comprehensive funding approach was to ensure progress and improvement of DCPS and public charter schools, while ensuring continued funding to support the Opportunity Scholarship Program for students to attend private schools.

COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$52,500,000 above for school improvement, which is \$7,500,000 above the fiscal year 2018 enacted level and the budget request to prevent a reduction in the number of students currently enrolled in the Opportunity Scholarship Program. These funds are allocated as follows: \$17,500,000 for District of Columbia Public Schools, \$17,500,000 for Public Charter Schools and \$17,500,000 for Opportunity Scholarships.

FEDERAL PAYMENT FOR THE D.C. NATIONAL GUARD

Appropriations, 2018 .....	\$435,000
Budget estimate, 2019 .....	435,000
Committee recommendation .....	435,000

PROGRAM DESCRIPTION

The Major General David F. Wherley, Jr. District of Columbia National Guard Retention and College Access Program provides tuition assistance for nonresident District of Columbia National Guard members.

## COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$435,000 for the D.C. National Guard designated for the Major General David F. Wherley, Jr. District of Columbia National Guard Retention and College Access Program. This amount is the same as the budget request.

## FEDERAL PAYMENT FOR HIV/AIDS PREVENTION

Appropriations, 2018 .....	\$5,000,000
Budget estimate, 2019 .....	5,000,000
Committee recommendation .....	2,000,000

## PROGRAM DESCRIPTION

Based on the national HIV/AIDS case based reporting system, the District has among the highest AIDS diagnosis rates in the country. Currently, 2.5 percent of the population was diagnosed and is living with HIV.

## COMMITTEE RECOMMENDATION

The Committee recommendation includes a Federal payment of \$2,000,000 to support testing and treatment of HIV/AIDS. The Committee is concerned with the lack of metrics utilized to determine program success and encourages the District to include additional reporting in the fiscal year 2020 budget justification describing how this payment will support proposed activities in 2020.

## FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

Appropriations, 2018 .....	\$14,000,000
Budget estimate, 2019 .....	10,000,000
Committee recommendation .....	10,000,000

## PROGRAM DESCRIPTION

Approximately one-third of the District of Columbia is served by a combined sewer system, constructed by the Federal Government in 1890, in which both sanitary waste and storm water flow through the same pipes. When the collection system or the Blue Plains treatment plant reach capacity, typically during periods of heavy rainfall, the system is designed to overflow the excess water. This mixture of sewage and storm water runoff is discharged to the Anacostia and Potomac Rivers, Rock Creek, and tributary waters between 60 and 75 times each year. Under a judicial consent decree entered on March 23, 2005, the Water and Sewer Authority is undertaking a 20-year, \$2,600,000,000 sewer construction program to reduce combined sewer overflows [CSO]. The Clean Rivers Project includes deep underground storage tunnels, side tunnels to reduce flooding, pump station rehabilitation, and the elimination of over a dozen CSO outfalls along the Potomac and Anacostia Rivers and Rock Creek. When completed in 2025, this project is expected to vastly improve water quality and significantly reduce contaminated discharges into and debris in our Nation's capital waterways as well as improve the health of the Chesapeake Bay.

## COMMITTEE RECOMMENDATION

The Committee recommends a Federal payment of \$10,000,000 to be matched by at least \$10,000,000 provided by the Water and Sewer Authority, to continue implementation of the Long-Term Combined Sewer Overflow Control Plan.

## DISTRICT OF COLUMBIA FUNDS

The Committee recommends, for the operating expenses of the District of Columbia, the amount as set forth in the enrolled version of the Fiscal Year 2019 Budget Request Act of 2018, District of Columbia Bill 21–668, as may be amended.

*Budget Autonomy.*—The Founding Fathers recognized the importance of establishing a seat for the Federal Government. Accordingly, article I, section 8 of the Constitution provides that Congress exercises “exclusive Legislation in all Cases whatsoever” in the District of Columbia. The Supreme Court has held in the case of *Palmore v. United States* that this clause vests Congress with “plenary” authority to exercise powers to legislate for all matters in the District. Pursuant to this Constitutional power, Congress enacted the District of Columbia Home Rule Act in 1973. The District government holds only the powers that Congress granted it through the Home Rule Act. Though that act granted the District substantial powers of local self-government, it expressly preserved Congressional authority to review and affirmatively approve all District obligations and expenditures. The Home Rule Act did not grant the Government of the District of Columbia authority to change the longstanding process through which the District Government transmits its budget request to the President for submission to Congress, with all amounts—local or otherwise—becoming available for obligation or expenditure only in accordance with an act of Congress. Indeed, section 603 of the Home Rule Act explicitly provided that the act made “no change in existing law, regulation, or basic procedure and practice relating to the respective roles of the Congress, the President, the Federal Office of Management and Budget, and the Comptroller General of the United States in the preparation, review, submission, examination, authorization, and appropriation of the total budget of the District of Columbia Government.” Because section 603 is not part of the District Charter, it cannot be amended by the District Council or voters. Only an act of Congress may change the District’s budget process. Furthermore, the Budget Autonomy Act had no effect on the applicability of the Antideficiency Act (31 U.S.C. 1341), which bars “an officer or employee of the United States Government or of the District of Columbia government” from incurring obligations or making expenditures that exceed the amount appropriated by law.

TITLE V  
INDEPENDENT AGENCIES

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

SALARIES AND EXPENSES

Appropriations, 2018 .....	\$3,100,000
Budget estimate, 2019 .....	3,100,000
Committee recommendation .....	3,100,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends \$3,100,000 for ACUS for fiscal year 2019.

COMMODITY FUTURES TRADING COMMISSION

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

Appropriations, 2018 .....	\$249,000,000
Budget estimate, 2019 .....	281,500,000
Committee recommendation .....	281,500,000

PROGRAM DESCRIPTION

The Commodity Futures Trading Commission [CFTC] was established as an independent agency by the Commodity Futures Trading Commission Act of 1974 (88 Stat. 1389; 7 U.S.C. 4a). The Commission administers the Commodity Exchange Act, 7 U.S.C. section 1, et seq.

The CFTC oversees our Nation's futures, options and swaps markets. The Commission's mission is to foster transparent, open, competitive and financially sound derivatives markets. Effective oversight by the CFTC protects market participants from fraud, manipulation and abusive practices, and protects the public and our economy from systemic risk related to derivatives.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$281,500,000 for the Commodity Futures Trading Commission, which is equal to the budget request. The Committee recommendation includes increased funding to boost the CFTC's analytical expertise, cybersecurity ca-

pabilities and financial technology to maximize the Commission’s ability to oversee our nation’s swaps, futures, and options markets.

The Committee recommendation includes \$57,000,000 for the purchase of information technology. The Committee highlights the crucial need for the CFTC to make mission-critical investments in technology to sort through the vast volume of data and information generated daily by markets. The CFTC’s responsibilities to conduct effective oversight and analysis of the swaps and futures markets requires greater attention to and investments in its information technology systems.

The Committee recommendation for fiscal year 2018 includes \$3,302,509 for the OIG. Of this amount, not more than \$502,509 should be for overhead expenses.

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

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

Appropriations, 2018 .....	\$126,000,000
Budget estimate, 2019 .....	123,450,000
Committee recommendation .....	126,000,000

PROGRAM DESCRIPTION

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

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

COMMITTEE RECOMMENDATION

The Committee recommends \$126,000,000 for the Consumer Product Safety Commission, which is equal to the fiscal year 2018 enacted level.

*Flame Retardant Chemicals.*—As the Commission considers new upholstered furniture flammability standards, the Committee encourages the Commission to take steps to adopt as a national man-

datory flammability standard for residential upholstered furniture the performance standards and test methods prescribed in California Technical Bulletin 117–2013, a standard that does not lead to the use of flame retardant chemicals. In 2012, the Commission released a study that indicates that flame retardant chemicals, as currently used in upholstered furniture foam, have no practical impact on flammability. The Commission should also move forward to convene a Chronic Hazard Advisory Panel under the Federal Hazardous Substances Act in order to assess and issue a report on the possible harm to consumers' health and safety from the use of the class of additive, non-polymeric organohalogen flame retardants in children's products, furniture, mattresses, and the casings surrounding electronics.

*Furniture Tip-Overs.*—Furniture tip-overs, particularly televisions, remain a serious risk to children and consumers. According to a 2014 CPSC study, between 2011 and 2013 an estimated annual average of 38,000 people were treated in U.S. hospital emergency departments for product instability or tip-over injuries related to televisions, furniture, and appliances. The same study reported that between 2000 and 2013 there were 430 tip-over fatalities, 84 percent of which were suffered by children younger than age 18. The Committee encourages the Commission to continue to engage with industry, consumer groups, and the public to increase efforts to limit or mitigate the risk associated with furniture tip-overs.

*Portable Generators.*—The Committee recognizes the risk of carbon monoxide poisoning deaths and injuries associated with portable generators. The Committee urges the Commission to keep the Committees of Appropriations informed of its progress to address the risk of carbon monoxide poisoning deaths and injuries associated with portable generators.

*Bicycle Standards.*—The Committee recognizes that there have been technological changes in bicycle design and in the materials used to manufacture bicycles since the bicycle regulations were promulgated. The Committee encourages the Commission to undertake a comprehensive review of the bicycle regulations to determine how these regulations might be further amended to reflect advancements in technology.

*Youth Sports Concussions.*—The Committee is concerned with the growth of diagnosed traumatic brain injuries for children participating in various sports. According to the Centers for Disease Control, in 2012, 329,290 children were treated for sports and recreation-related injuries that included a diagnosis of a concussion. The Committee encourages the CPSC to work cooperatively with all stakeholders, including other Federal agencies, to update the current standards for youth safety and protection equipment. The Committee notes that the Joint Explanatory Statement of the Consolidated Appropriations Act, 2018, directed the CPSC to report to the Committees of Appropriations on the progress to update the current National Operating Committee on Standards for Athletic Equipment football helmet standards.



ELECTION ASSISTANCE COMMISSION  
SALARIES AND EXPENSES  
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2018 .....	\$10,100,000
Budget estimate, 2019 .....	9,200,000
Committee recommendation .....	9,200,000

PROGRAM DESCRIPTION

The Election Assistance Commission [EAC] was created by the Help America Vote Act of 2002 [HAVA] (Public Law 107-252) and is charged with implementing provisions of that act relating to the reform of Federal election administration.

COMMITTEE RECOMMENDATION

The Committee provides \$9,200,000 for EAC's administrative expenses. The Committee bill requires that \$1,500,000 of these funds be transferred to the National Institute for Standards and Technology [NIST] for technical assistance related to the development of voluntary State voting systems guidelines.

Within 30 days of the transfer, the Director of NIST (or designee) shall provide to the Executive Director (or Acting) of the EAC and the Committee an expenditure plan for the funds that includes: (1) the number and position title and office of each staff person doing work and amount of time each staff person spends on that work; (2) the specific tasks accomplished including length of time needed to accomplish the task; (3) an explanation of expenditures, including contracts and grants, and use of the EAC funding transferred to NIST (including enumeration of funds); and (4) an explanation of how the work accomplished relates to mandated activities under HAVA. Finally, the Executive Director (or Acting) of the EAC and Director of NIST (or designee) shall work together to set priorities for the work outlined in order to meet timelines.

FEDERAL COMMUNICATIONS COMMISSION  
SALARIES AND EXPENSES

Appropriations, 2018 .....	\$322,035,000
Budget estimate, 2019 .....	333,118,000
Committee recommendation .....	333,118,000

PROGRAM DESCRIPTION

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

conditions; (3) authorization of service; (4) enhancing public safety and homeland security; and (5) enforcement.

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$333,118,000 for the Salaries and Expenses of the FCC for fiscal year 2019. The total appropriation of \$333,118,000 will be derived from offsetting collections.

The Committee also recommends that up to \$130,284,000 be retained from spectrum auction activities to fund the administrative expenses of conducting such auctions.

*Incentive Auction.*—The Committee notes the additional work to be performed in fiscal year 2019 by the FCC for new eligible entities of the TV Broadcaster Relocation Fund including Television Translator stations, Low Power Television stations, and FM Broadcast stations. Of the recommended amount for spectrum auction administrative expenses, \$17,550,000 should be used to fund administrative expenses relating to the post-Incentive Auction repack. The Committee expects the FCC will keep it apprised of its progress to develop a rulemaking and oversee the distribution of funds for new eligible entities. The Committee stresses the importance of completing its administrative work in fiscal year 2019. The Committee continues a prior directive for the FCC to provide monthly reports to the House and Senate Committees on Appropriations, the Senate Committee on Commerce, and the House Committee on Energy and Commerce with the current status of the construction schedule including the allocation provided to all eligible entities and the status of any relief granted to accommodate stations that face unforeseen circumstances during the transition period.

*Wireless Support.*—The Committee includes a provision that would provide certainty to rural wireless broadband users and carriers across the Nation as the Federal Communications Commission continues to develop a new framework for parts of the Universal Service Fund. The provision reaffirms the intent of current regulations adopted by the Commission (47 CFR 54.307(e)(5) and (e)(6)) that provide that competitive eligible telecommunications carriers will continue to receive reliable support until Mobility Fund Phase II is implemented. The Committee preserves the Commission's flexibility to develop nationwide replacement mechanisms for high-cost support, which could include Mobility Fund Phase II, another support mechanism, or set of support mechanisms and a separate but complementary Alaska-specific support mechanism. The Committee does not intend that this section will limit the Commission's consideration, development, or adoption of a replacement mechanism other than Mobility Fund Phase II or a separate Alaska-specific support mechanism.

*Tribal Lifeline Reform.*—The Committee recognizes the steps taken by the FCC to reform the Lifeline program by limiting enhanced Tribal support to facilities-based providers. The Committee urges the Commission to ensure that such reforms are holding carriers accountable for their program dollars and their commitment to serve local networks.

*Broadband Connectivity on Tribal Lands.*—The Committee remains concerned about the lack of access to broadband services on Tribal lands. According to data collected by the FCC, only 65 percent of residents on rural, Tribal lands have access to fast broadband service, which is eight times worse than the national average. The Committee urges the FCC to responsibly and efficiently take action to increase access to broadband on Tribal lands and supports consultation with federally recognized Indian Tribes, Alaska Native villages and corporations, and entities related to Hawaiian home lands. The FCC is encouraged to use all available resources with the goal of spending \$300,000 to support consultation with Federal recognized Indian tribes, Alaska Native villages, and entities related to Hawaiian home lands. Any action by the FCC to address broadband services on Tribal lands should be done in a manner that takes into account duplication of Federal programs, grants, funding streams, and overbuilding of networks. The FCC should consult with Federal stakeholders and agencies who have a role in deploying broadband when assessing duplication. The Committee urges the FCC to examine alternative and emerging technologies for deployment of internet to areas where traditional infrastructure is costly to deploy. The Committee also urges the FCC to consider population density when determining the definition of service to rural areas.

*Contraband Cell Phones.*—The Committee remains concerned regarding the continued exploitation of contraband cell phones in prisons and jails nationwide. Given the growing public safety concerns (more cell phones are seized each year), this is an issue of critical importance that requires solutions sooner rather than later. The Committee recognizes that the Bureau of Prisons [BOP] and the National Telecommunications and Information Administration [NTIA] have worked over the last decade to block cell signals within prison cells while limiting signal blockages outside of prison cells, both for officer safety and to limit any impact on the public. The Committee understands that CTIA, the wireless industry trade association, established a task force that includes representatives of nine state prison systems, the Association of State Correctional Administrators, as well as BOP in response to congressional concerns. The Committee understands FCC facilitated the first meeting in April 2018. The Committee directs the FCC, in consultation with BOP and NTIA, to brief the Committees on Appropriations within 60 days of enactment on its timeline for further addressing the contraband cell phone in prisons issue and the status of any reports the FCC has received from the task force. Following the briefing, the FCC is directed to share with the Committees any barriers that arise and prevent the FCC from meeting the proposed timeline.

*Oversight Monitoring and Rating System.*—Section 551 of the Telecommunications Act of 1996 required the FCC to establish guidelines and recommended procedures for the rating of video programming to parents and provided the FCC with the ability to certify that distributors of video programming developed and implemented a compliant voluntary rating system. The video programming industry submitted “TV Parental Guidelines” to the FCC, which were accepted in a 1998 report and order. The video pro-

gramming industry also established a TV Parental Guidelines Oversight Monitoring Board to ensure the guidelines are applied accurately and consistently, address complaints and requests from the public, and provide information to producers and program distributors. The Committee recognizes it has been close to 20 years since this issue was visited and directs the FCC to report to the Committee within 90 days of enactment on the extent to which the rating systems matches the video content that is being shown and the ability of the TV Parental Guidelines Oversight Monitoring Board to address public concerns. The FCC is further directed to examine the monitoring board's ability to conduct transparent meetings and efforts to include relevant stakeholders.

*Call Completion in Rural Areas.*—The Committee recognizes that the FCC is considering a Report and Order and Further Notice of Proposed Rulemaking that will adopt new measures, and seek comment on others, to better tackle the problem of call completion and ensure that calls are completed to all Americans—including those in rural America. As directed in the fiscal year 2018 report, the Committee looks forward to receiving a report detailing the FCC's efforts to resolve call completion issues and to prevent discriminatory delivery of calls to any area of the country.

*Universal Service Reform.*—The Committee expresses concern regarding fraud, waste, and abuse within the Universal Service Fund programs. The Committee directs the FCC to prioritize unserved areas in all Universal Service Fund programs.

The Committee supports the Lifeline program's mission of making basic communications services affordable to low-income Americans, and shares the Commission's objective of minimizing waste, fraud, and abuse in the program. The Committee urges the Commission to ensure that the measures already adopted to combat waste, fraud, and abuse, such as the National Verifier, are implemented.

The Committee appreciates the ongoing commitment of the FCC to modernize and focus the Universal Service Fund [USF] on promoting broadband availability and affordability. Nevertheless, the Committee is troubled that the budget for the High Cost USF program has not been revised since 2011. The Committee strongly supports a comprehensive assessment of what is needed to appropriately fund the High Cost USF program budget to fulfill its statutory mandate for universal service pursuant to 47 U.S.C. 254(b)(4) while addressing GAO's open recommendation to improve accountability and transparency of high-cost program funding (GAO-14-587).

*Remote Areas Fund.*—While the Committee is encouraged by the Commission's efforts to expand broadband access throughout rural America, the Committee believes the Remote Areas Fund [RAF] will be both critical and necessary to broadband deployment in the most remote areas of the country. The Committee urges the FCC to move forward with the RAF no later than one year after the commencement of the CAF Phase II auction, or as soon as practicable thereafter. The Committee believes that the RAF must be structured to provide an opportunity for robust participation.

*Robocalls.*—The Committee recognizes the pervasiveness of abusive and illegal robocalls that are disrupting and harming Ameri-

cans every day. While the Committee appreciates the current efforts the FCC and the Federal Trade Commission [FTC] are committing to enforcing laws and working alongside industry on solving the illegal robocall problem, it is clear that more focus needs to be dedicated to solving this increasingly prevalent issue. As such, the Committee directs the FCC and the FTC to continue to collaborate with each other and with industry to defend Americans from unwanted robocalls.

*Information Technology Reform.*—The Committee supports the FCC’s efforts to improve its IT investments and directs the Commission to report to the Committee within 6 months on how it will prioritize future IT reform efforts and identify the most important IT systems to be modernized. The Committee further directs the FCC to report to the Committee on the role of IT failure or any other cause for significant delays in the Universal Service Company’s issuance of E-Rate funding determination letters to schools and libraries.

*5G Services.*—The Committee appreciates that the Commission moved swiftly following enactment of amendments to 47 U.S.C. 309(j)(8)(C) made as part of Public Law 115–141 to schedule auctions for licenses in the 24GHz and 28GHz bands and the Committee expects the Commission to work to ensure that those auctions occur without delay. To build on those auctions and more fully support the deployment of 5G services and advance U.S. competitiveness, the Committee directs the Commission to report not later than April 1, 2019 on the prospect and timeline for making additional mid-band and high-band spectrum available for either licensed or unlicensed use.

*Topography.*—As the FCC develops the auction procedures for Mobility Fund II to facilitate wireless broadband service in unserved rural regions, the Committee urges the Commission to consider the impact of a state or locality’s surface configuration on the availability of wireless service and ensure that topography does not impede or adversely affect the auction results.

*Permitting Process.*—The Committee encourages the FCC to continue to work toward streamlining their permitting process by finding ways to minimize costs and duplication as well as expedite broadband deployment in rural areas.

*Mobility Fund II.*—The Committee remains concerned that the auction process will preclude high cost areas from consideration, many of which are rural areas that are most in need of assistance. The Committee encourages the FCC to consider a reasonable set aside of the funding that will be made available through the Mobility Fund II auction to provide assistance to these high-cost, geographically challenged areas.

*Radio Frequency.*—On March 27, 2013, the FCC released a First Report and Order/Further Notice of Proposed Rulemaking and Notice of Inquiry regarding the Commission’s rules on Human Exposure to Radio Frequency Electromagnetic Fields (ET Docket Nos. 13–84 and 03–137). The Committee encourages the FCC to work with relevant agencies on ET Docket Nos. 13–84 and 03–137 and to report to the Committee on the current status of the Further Notice of Proposed Rulemaking within 30 days of enactment.

*Coordination on Rural Communications Services.*—The Committee recognizes the FCC’s vital role in preserving and advancing universal communications services. The Committee encourages the FCC to coordinate efforts with the Rural Utility Service to optimize the use of limited resources and promote broadband deployment in rural America.

#### FEDERAL DEPOSIT INSURANCE CORPORATION

##### OFFICE OF THE INSPECTOR GENERAL

Appropriations, 2018 .....	\$39,136,000
Budget estimate, 2019 .....	42,982,000
Committee recommendation .....	42,982,000

##### PROGRAM DESCRIPTION

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

##### COMMITTEE RECOMMENDATION

The Committee recommends \$42,982,000 for the FDIC inspector general, the same as the budget request and \$3,846,000 more than the fiscal year 2018 enacted level. Funds are to be derived from the Deposit Insurance Fund and the Federal Savings and Loan Insurance Corporation Resolution Fund.

#### FEDERAL ELECTION COMMISSION

##### SALARIES AND EXPENSES

Appropriations, 2018 .....	\$71,250,000
Budget estimate, 2019 .....	71,250,000
Committee recommendation .....	71,250,000

##### PROGRAM DESCRIPTION

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

##### COMMITTEE RECOMMENDATION

The Committee recommends \$71,250,000 for the Federal Election Commission.

## FEDERAL LABOR RELATIONS AUTHORITY

## SALARIES AND EXPENSES

Appropriations, 2018 .....	\$26,200,000
Budget estimate, 2019 .....	26,200,000
Committee recommendation .....	26,200,000

## PROGRAM DESCRIPTION

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

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

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$26,200,000 for the Federal Labor Relations Authority.

## FEDERAL TRADE COMMISSION

## SALARIES AND EXPENSES

Appropriations, 2018 .....	\$306,317,000
Budget estimate, 2019 .....	309,700,000
Committee recommendation .....	309,700,000

## PROGRAM DESCRIPTION

The Federal Trade Commission administers a variety of Federal antitrust and consumer protection laws. Activities in the antitrust area include detection and elimination of illegal collusion, anti-competitive mergers, unlawful single-firm conduct, and injurious vertical agreements. The FTC enforces consumer protection laws involving advertising, marketing, and financial practices; fights consumer fraud; and addresses privacy and identity protection concerns.

## COMMITTEE RECOMMENDATION

The Committee recommendation provides \$309,700,000 for the salaries and expenses of the FTC for fiscal year 2019.

The Congressional Budget Office estimates \$136,000,000 of collections from Hart-Scott-Rodino premerger filing fees and \$17,000,000 of collections from Do-Not-Call fees will partially offset the appropriation requirement for this account. The total amount of direct appropriations for this account is therefore \$156,700,000.

The Committee recognizes the FTC's mission to preserve competition in the marketplace and protect consumers, including ef-

forts to improve the security of consumer financial transactions. The recommended funding will support these necessary endeavors. The recommendation includes funding for the FTC Do-Not-Call initiative, of which the entire amount is to be derived from the collection of fees.

*Sports Concussion.*—According to the Centers for Disease Control and Prevention, a concussion is a type of traumatic brain injury that can occur in any sport or recreation activity. Given the potential for real injury to children, the Committee urges the FTC to remain vigilant in its enforcement efforts against potential unfair and deceptive practices related to sports concussion. The FTC should review any National Academies' report on sports-related concussions in youth for any matter that may inform efforts to protect consumers from unfair or deceptive practices in or affecting commerce. The FTC should also be vigilant of and, if necessary, take steps to prevent anticompetitive conduct related to the development and use of industry standards that could reduce competition and innovation in protective sports equipment.

*Contact Lenses.*—The Committee is disappointed in the FTC's decision not to include the proposed patient safety improvements related to the prescription verification process in its draft contact lens rule and instead impose new paperwork requirements on patients and doctors that are unnecessarily burdensome. The Committee directs the FTC to prioritize patient safety and consider enforcement mechanisms under its existing authority or revisions to the draft rule that address sales of excessive quantities of lenses, illegal substitutions, and communication challenges associated with prescription verification, including robo-calls. The Committee further directs the FTC to continue to confer and consult with other Federal agencies, including the Food and Drug Administration, to optimize its enforcement and consumer education activities.

*Credit Card Skimmers.*—The Committee appreciates the FTC's effort to warn Americans travelling abroad to be alert for credit card skimmers placed by thieves inside automatic teller machines and gas pumps. However, the Committee is aware that such credit card information theft increasingly occurs within the United States and thus urges the FTC to work with the Department of Justice and state attorneys general to prevent such consumer scams.

*Pharmacy Benefit Managers.*—The Committee is concerned about the anticompetitive effects of continued consolidation in the pharmacy benefits management [PBM] industry. Such consolidation has the potential to reduce patient choice, decrease access to pharmacy services, and lead to higher prescription drug costs paid by plan sponsors and consumers. The Committee encourages the FTC to evaluate and address these concerns as it reviews ongoing consolidation in the PBM industry.

*Robocalls.*—The Committee supports the FTC's initiatives to spur the development and availability of technology that will provide consumers with greater protection from unwanted and illegal telephone calls. The Committee notes the success of previous Commission-led "robocall challenges" and urges the FTC to consider further challenges that will speed the availability of innovative technological protections for consumers.



*Technical Expertise.*—The Committee is concerned that the FTC lacks sufficient technical expertise to enforce consumer protection in the digital domain. The Committee recommends that the FTC’s Bureau of Consumer Protection add up to 10 additional FTE technologists to work across the five law enforcement areas (Privacy and Identity Protection, Financial Practices, Marketing Practices, Advertising Practices, and Enforcement). These technologists should have an academic or professional background in computer science, cybersecurity, software engineering or other related field.

*Unfair Methods of Competition.*—The Committee requests that the FTC, in consultation with the Food and Drug Administration, examine Congress’ intent regarding unfair methods of competition in 15 U.S.C. 45(n) and the FTC’s standalone section 5 authorities with regards to unreasonable cost increases, including those that occur over multiple years, on off-patent pharmaceutical drugs and biologics when there are no alternative options available to the consumer, and when price increases are unreasonable, unavoidable, and not due to increased manufacturing costs of the product. The committee requests the FTC submit a report to the Committee within 120 days of the bill’s enactment.

*Deceptive Online Marketing.*—The Committee urges the FTC to share with state Attorneys General materials to help educate consumers about online booking scams, including the use of websites and call centers to mislead consumers into believing that they are dealing directly with hotels. The Committee also encourages the FTC to make state Attorneys General aware of its recent enforcement action against Reservation Counter, LLC, and its owners.

*Made in USA Standard.*—The Committee understands that the FTC has not amended its “Made in USA” standard since it was adopted in 1977. During that time, innovative technologies have connected global supply chains to domestic manufacturers for producing goods and materials. Such a global economy is a cause for concern on whether the “Made in USA” standard reflects these significant changes over time. The Committee strongly encourages the FTC to review its “Made in USA” standard by soliciting feedback and conducting consumer perception surveys so that the standard may reflect current sentiments of what makes a product “Made in USA.” If the Commission does not feel that a review of the standard is warranted, the Committee requests a response within 90 days of enactment of this act justifying this position.

#### GENERAL SERVICES ADMINISTRATION

##### PROGRAM DESCRIPTION

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

## COMMITTEE RECOMMENDATION

*Federal Fleet.*—The Federal government spends more than \$4,000,000,000 annually to acquire, operate, and maintain civilian and non-tactical military vehicles. The annual Federal Fleet Report publishes motor vehicle fleet inventory, cost, and use data from Federal departments and agencies. The Committee expects timely release of this data annually and is greatly concerned that GSA has not published the Federal Fleet Report for fiscal years 2016 and 2017. The Committee directs GSA to publish these reports within 90 days of enactment.

*GSA Advantage.*—GSA is encouraged to explore options for the listing of remanufactured products in a way that acknowledges both the original manufacturer and the business that refurbished the product. One option for GSA to explore would be the modification of categories within the product listing for recognizing both the manufacturer and the refurbisher.

*Chesapeake and Ohio Canal National Historical Park.*—The Committee is encouraged that GSA and the National Park Service are working toward a solution to relocate and consolidate the visitor center and headquarters for the Chesapeake and Ohio Canal National Historical Park with other nearby National Park Service offices in Williamsport, Maryland. We encourage continued dialogue between the agencies to move the project forward.

*Indian Energy Preference.*—The Committee is concerned by GAO's findings that GSA has not issued any guidance, rules or regulations regarding the purchase of energy products or by-products from Indian tribes, in accordance with the Energy Policy Act (Public Law 109–58). The Committee directs GSA to report on what additional steps the agency will take to implement the provisions in the act, specifically section 2602(d) and section 203.

*FBI Headquarters.*—Due to concerns about the FBI Headquarters Revised Nationally-Focused Consolidation Plan which was submitted to Congress by GSA on February 12, 2018, the Consolidated Appropriations Act, 2018 (Public Law 115–141) included no funding for this project. No funds were requested for the project for fiscal year 2019 and no funds are provided in this bill.

The Committee continues to be reluctant to appropriate any additional funds for this project due to the unanswered questions regarding the new plan, including the revision of longstanding mission and security requirements. The Committee encourages GSA to work with the FBI to submit a prospectus for a new, fully-consolidated headquarters building, including at one of the three previously vetted sites that complies with prior Congressional directives and actions and meets Interagency Security Committee Level V security standards.

*Dirksen Courthouse.*—The Dirksen Courthouse in Chicago is adjacent to buildings in critical disrepair that are scheduled to be sold to a developer. Concerns have been raised as to the effect of the development plan on the security of the Court and other federal agencies in the courthouse. The Consolidated Appropriations Act of 2018 directed GSA to review the current development plan to ensure that it does not pose security problems and report back to the Committee. The Committee looks forward to receiving this report

and to continuing to coordinate with GSA, the Federal Judiciary, and other federal tenants to ensure security risks to the Courthouse are appropriately evaluated and addressed.

*Buy American.*—The Committee recognizes that there is currently no comprehensive government-wide repository for information about waivers to the Buy American Act, Berry Amendment and other domestic content statutes. This lack of transparency harms small- and medium-sized manufacturers who are often negatively impacted by waivers to the Buy American Act that allow the government to purchase manufactured goods overseas. The Consolidated Appropriations Act of 2018 encouraged GSA to examine the feasibility of a website, called BuyAmerican.gov, to track, government-wide, the use of waivers to our domestic procurement laws and report to the Appropriations Committee within 120 days of enactment. The Committee looks forward to promptly receiving this report.

*Chesapeake Bay Program Office.*—Most of the Federal agencies involved in the Chesapeake Bay Program have been co-located in the Annapolis area and leases are approaching renewal. The Committee encourages GSA to work closely with the Department of the Interior and the Environmental Protection Agency to ensure, to the extent practicable and cost-effective, that as many of the Federal agencies as possible, be co-located in the Annapolis area to facilitate program coordination.

*Energy Efficiency.*—The Committee has been encouraged by GSA’s continued leadership in the use of Energy Savings Performance Contracts [ESPCs], which generate energy savings to pay for the investment in energy-related equipment, but is concerned about possible drop off in the use of these contracts to address deferred maintenance and infrastructure improvements. Accordingly, the Committee directs the Administrator to report, no later than 45 days after enactment of this Act, on the number and value of ESPCs entered into by GSA annually for 2014–2018 and projections for 2019 and 2020.

FEDERAL BUILDINGS FUND—LIMITATIONS ON AVAILABILITY OF  
REVENUE

(INCLUDING TRANSFER OF FUNDS)

Limitation on availability of revenue:	
Limitation on availability, 2018 .....	\$9,073,938,000
Limitation on availability, budget estimate, 2019 .....	10,131,673,000
Committee recommendation .....	9,633,450,000

The Federal Buildings Fund [FBF] finances the activities of the Public Buildings Service, which provides space and services for Federal agencies in a relationship similar to that of landlord and tenant. The FBF, established in 1975, replaces direct appropriations by using income derived from rent assessments, which approximate commercial rates for comparable space and services. The Committee makes funds available through a process of placing limitations on obligations from the FBF as a way of allocating funds for various FBF activities.

## CONSTRUCTION AND ACQUISITION

Limitation on availability, 2018 .....	\$692,069,000
Limitation on availability, budget estimate, 2019 .....	1,338,387,000
Committee recommendation .....	1,080,068,000

## PROGRAM DESCRIPTION

The construction and acquisition fund finances the site, design, construction, management, and inspection costs of new Federal facilities.

## COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$1,080,068,000 for construction and acquisition:

- \$767,900,000 for the Department of Transportation Lease Purchase Option, which will reduce the Federal government's rental payments to the private sector by approximately \$49,400,000 annually.
- \$100,000,000 for the DHS Consolidation at St. Elizabeths to be combined with existing unobligated balances to consolidate the Federal Emergency Management Agency, which is currently located in several leases throughout the National Capital Region.
- \$27,268,000 for the Former Hardesty Federal Complex
- \$9,000,000 for the Southeast Federal Center Remediation
- \$175,900,000 for the Calexico West Land Port of Entry Phase II.

## REPAIRS AND ALTERATIONS

Limitation on availability, 2018 .....	\$666,335,000
Limitation on availability, budget estimate, 2019 .....	909,746,000
Committee recommendation .....	890,419,000

## PROGRAM DESCRIPTION

Under this activity, GSA executes its responsibility for repairs and alterations of both Government-owned and -leased facilities under the control of GSA.

## COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$890,419,000 for repairs and alterations in fiscal year 2019.

The Committee recommends \$424,690,000 for major repairs and alterations projects, \$373,556,000 for Basic Repairs and Alterations, \$30,000,000 for the Fire and Life Safety Program, \$11,500,000 for the Judiciary Capital Security Program, and \$50,673,000 for the Consolidation Activities Program.

## RENTAL OF SPACE

Limitation on availability, 2018 .....	\$5,493,768,000
Limitation on availability, budget estimate, 2019 .....	5,430,345,000
Committee recommendation .....	5,418,845,000

## PROGRAM DESCRIPTION

The rental of space program funds lease payments made to privately owned buildings, temporary space for Federal employees

during major repair and alteration projects, and relocations from Federal buildings due to forced moves and relocations as a result of health and safety conditions. GSA is responsible for leasing general purpose space and land incident thereto for Federal agencies, except in cases where GSA has delegated its leasing authority.

#### COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$5,418,845,000 for rental of space.

#### BUILDING OPERATIONS

Limitation on availability, 2018 .....	\$2,221,766,000
Limitation on availability, budget estimate, 2019 .....	2,253,195,000
Committee recommendation .....	2,244,118,000

#### PROGRAM DESCRIPTION

This activity provides for the operation of all Government-owned facilities under the jurisdiction of GSA and building services in GSA-leased space where the terms of the lease do not require the lessor to furnish such services. Services included in building operations are cleaning, protection, maintenance, payments for utilities and fuel, grounds maintenance, and elevator operations.

#### COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$2,244,118,000 for building operations.

#### GOVERNMENTWIDE POLICY

Appropriations, 2018 .....	\$53,499,000
Budget estimate, 2019 .....	65,835,000
Committee recommendation .....	58,499,000

#### PROGRAM DESCRIPTION

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

#### COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$58,499,000 for Governmentwide Policy. GSA is encouraged to consider the potential national security implications of acquiring telecommunications technology from foreign companies.

#### OPERATING EXPENSES

Appropriations, 2018 .....	\$45,645,000
Budget estimate, 2019 .....	49,440,000
Committee recommendation .....	49,440,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$49,440,000 for Operating Expenses.

CIVILIAN BOARD OF CONTRACT APPEALS

Appropriations, 2018 .....	\$8,795,000
Budget estimate, 2019 .....	9,301,000
Committee recommendation .....	9,301,000

PROGRAM DESCRIPTION

The Civilian Board of Contract Appeals is responsible for resolving contract disputes between government contractors and Federal agencies.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$9,301,000 for the Civilian Board of Contract Appeals.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2018 .....	\$65,000,000
Budget estimate, 2019 .....	67,000,000
Committee recommendation (including transfer) .....	67,000,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$65,000,000 for the Office of Inspector General.

In addition to the foregoing appropriation, the Committee provides \$2,000,000 to be immediately transferred to the Council of the Inspectors General on Integrity and Efficiency for enhancements to [www.oversight.gov](http://www.oversight.gov).

*Council of the Inspectors General on Integrity and Efficiency Website.*—The Council of the Inspectors General on Integrity and Efficiency [CIGIE] was established by the Inspector General Reform Act of 2008. The Council is made up of 73 individual Inspectors General [IGs] from both the Executive and Legislative branches and 6 integrity-related senior officials. CIGIE’s mission is to address integrity, economy, and effectiveness issues that transcend individual Government agencies and increase the professionalism and effectiveness of the IG workforce.

In fiscal year 2016, CIGIE developed a working group charged with developing a website to consolidate in one place all public reports from inspectors general to improve the public’s access to independent information about the Federal Government. The Committee commends CIGIE for its efforts to develop this website for the public to follow the ongoing oversight work of all IGs that publicly post reports. With the launch of [Oversight.gov](http://Oversight.gov), users can now sort, search, and filter the site’s database of public reports across agencies to find oversight areas of interest.

IG recommendations have the potential to save significant taxpayer dollars, but agencies continue to fail to implement many of these recommendations. The Committee believes a centralized database will help Congress, agencies, and taxpayers track outstanding recommendations and will ultimately make the federal government more efficient and effective.

In addition to funds otherwise available to CIGIE, the Committee recommendation includes \$2,000,000 to be transferred to CIGIE’s revolving fund to enhance [Oversight.gov](http://Oversight.gov), including the development of a database that contains the status of open IG recommendations.

As CIGIE scales a pilot program of select IGs to the entire IG community, the Committee encourages all IGs to provide timely updates to [Oversight.gov](http://Oversight.gov) to ensure the open recommendation database is regularly updated.

No later than 120 days after enactment, CIGIE is directed to report to the Committee on Appropriations with a spend plan on the proposed use of the use of funds, including additional website features and functionality and interest from CIGIE members in regularly providing updated information for the open IG recommendation repository.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

Appropriations, 2018 .....	\$4,754,000
Budget estimate, 2019 .....	4,796,000
Committee recommendation .....	4,796,000

PROGRAM DESCRIPTION

This appropriation currently provides pensions, office staffs, and related expenses for former Presidents Jimmy Carter, George H.W. Bush, William Clinton, and George W. Bush, and Barack Obama.

COMMITTEE RECOMMENDATION

The Committee recommends \$4,796,000 for allowances and office staff for former Presidents.

FEDERAL CITIZEN SERVICES FUND

Appropriations, 2018 .....	\$50,000,000
Budget estimate, 2019 .....	58,400,000
Committee recommendation .....	55,000,000

PROGRAM DESCRIPTION

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

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

COMMITTEE RECOMMENDATION

The Committee recommends \$55,000,000 for the Federal Citizen Services Fund.

TECHNOLOGY MODERNIZATION FUND

Appropriation, 2018 .....	\$100,000,000
Budget estimates, 2019 .....	210,000,000
Committee recommendation .....	

The Technology Modernization Fund [TMF] is designed to be a full cost recovery fund that finances the transition of Federal agencies from antiquated legacy IT systems to modern IT platforms. The Fund is administered by GSA in accordance with recommendations made by an inter-agency TMF Board established by the Modernizing Government Technology Act. The Fund was established to provide upfront funding for modernization investments, which agencies are required to repay over a period of up to five years.

COMMITTEE RECOMMENDATION

The Committee recommends \$0 for the TMF. The Committee notes the Consolidated Appropriations Act, 2018 (Public Law 115-141), provided \$100,000,000 for the TMF. As of June 2018, the TMF approved proposals submitted by three Federal agencies totaling \$45,000,000. As the TMF reviews the remaining proposals, the Committee encourages GSA and OMB to provide additional trans-



parency surrounding agency proposals at each stage of the selection process, including projects submitted for consideration and those selected to receive funding. The Committee will continue to monitor the proposal process and work with GSA and OMB to establish metrics for determining program and project success.

Within 30 days of enactment of this act, GSA is directed to provide the Committee on Appropriations details on proposals submitted by agencies to the Technology Modernization Fund and proposals that have been awarded funding. For each proposal, the information shall include: the agency seeking funding; the type of project for which funding was requested; the requested and approved cost of the project; the plan for repayment of the funds; and whether a repayment extension was requested, and if so, whether it was granted. For future proposals, GSA shall provide the Committee this information at the time of award.

ASSET PROCEEDS AND SPACE MANAGEMENT FUND

Appropriation, 2018 .....	\$5,000,000
Budget estimates, 2019 .....	31,000,000
Committee recommendation .....	15,500,000

This account provides appropriations for the purposes of carrying out actions pursuant to the recommendations of the Public Buildings Reform Board focusing on civilian real property.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$15,500,000 for the Asset Proceeds and Space Management Fund. The Committee supports the Public Buildings Reform Board and efforts to reduce Federal real property costs by consolidating and selling underutilized and vacant Federal buildings and other civilian real property. However, a Public Buildings Reform Board Chair has not been nominated, and the six Board members have not been appointed, resulting in lower than anticipated Board expenditures and delays in recommendations from the Board. The Committee will continue to monitor steps being taken to stand up the Public Buildings Reform Board to ensure sufficient resources are available to meet program needs.

ENVIRONMENTAL REVIEW IMPROVEMENT FUND

Appropriations, 2018 .....	\$1,000,000
Budget estimate, 2019 .....	6,070,000
Committee recommendation .....	6,070,000

PROGRAM DESCRIPTION

This appropriation supports the authorized activities of the Environmental Review Improvement Fund and the Federal Permitting Improvement Steering Council. The Council will lead on-going government-wide efforts to modernize the Federal permitting and review process for major infrastructure projects and work with Federal agency partners to implement and oversee adherence to the statutory requirements set forth in the Fixing America's Surface Transportation Act of 2015.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$6,070,000 for the Environmental Review Improvement Fund.

ADMINISTRATIVE PROVISIONS—GENERAL SERVICES ADMINISTRATION

(INCLUDING TRANSFERS OF FUNDS)

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

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

Section 522 requires that the fiscal year 2020 budget request meet certain standards.

Section 523 provides that no funds may be used to increase the amount of occupiable square feet, provide cleaning services, security enhancements, or any other service usually provided, to any agency which does not pay the requested rate.

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

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

Section 526 requires a GSA spending plan for certain accounts and programs.

HARRY S TRUMAN SCHOLARSHIP FOUNDATION

SALARIES AND EXPENSES

Appropriations, 2018 .....	\$1,000,000
Budget estimate, 2019 .....	
Committee recommendation .....	1,000,000

PROGRAM DESCRIPTION

The Harry S Truman Scholarship Foundation is an independent agency established by Congress in 1975 (Public Law 93-642) to encourage exceptional college students to pursue careers in public service through the Truman Scholarship program. The Truman Scholarship is a merit-based award available to college juniors who plan to pursue careers in Government or elsewhere in public service.

The Foundation Trust Fund was established with a one-time \$30,000,000 appropriation in 1976. The authorizing legislation directed that this endowment be invested solely in U.S. Treasury Securities, the interest from which has funded the Foundation's operating budget. With the decline in interest rates, the annual yield from the trust fund has declined by nearly 80 percent since 2002.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,000,000 for the Harry S Truman Scholarship Foundation.

The Committee notes that administrative expenses of the Foundation exceeded scholarship payments in fiscal year 2017. Therefore, the Committee encourages the Foundation to examine its operating budget and work to reduce overhead costs and achieve additional cost savings.

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

Appropriations, 2018 .....	\$46,835,000
Budget estimate, 2019 .....	46,835,000
Committee recommendation .....	46,835,000

PROGRAM DESCRIPTION

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

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$46,835,000 for the MSPB. The recommendation includes not more than \$2,345,000 for adjudicating retirement appeals through an appropriation from the trust fund consistent with past practice.

MORRIS K. UDALL AND STEWART L. UDALL FOUNDATION

MORRIS K. UDALL AND STEWART L. UDALL TRUST FUND

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2018 .....	\$1,975,000
Budget estimate, 2019 .....	1,875,000
Committee recommendation .....	1,875,000

PROGRAM DESCRIPTION

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

The Morris K. Udall and Stewart L. Udall Foundation also supports training programs for professionals in health care policy and public policy, such as the Native Nations Institute [NNI]. NNI, based at the University of Arizona, provides Native Americans with

leadership and management training, and analyzes policies relevant to tribes.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,875,000 for the Morris K. Udall and Stewart L. Udall Trust Fund.

The Committee appreciates the progress made by the Udall Foundation to strengthen its internal controls related to contract oversight and personnel management. The Committee directs the Foundation to report semiannually to the Committee regarding its continued work in instituting reformed internal controls, including milestones achieved. Finally, the Committee provides that \$200,000 shall be transferred to the Inspector General of the Department of the Interior to conduct annual audits and investigations of the Foundation and submit reports of its findings to the Committee in order to ensure that the Foundation’s spending, management, and other activities are subject to regular oversight and review.

ENVIRONMENTAL DISPUTE RESOLUTION FUND

Appropriations, 2018 .....	\$3,366,000
Budget estimate, 2019 .....	3,200,000
Committee recommendation .....	3,200,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,200,000 for the Environmental Dispute Resolution Fund.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

The National Archives and Records Administration [NARA] is the national recordkeeper, managing the Government’s archives and records, and operating the Presidential libraries. NARA is an independent agency created by statute in 1934 and tasked with the unique mission to identify, access, protect, preserve, and make available for use the important documents and records of all three branches of the Federal Government. NARA administers the Information Security Oversight Office, is the publisher of the Federal

Register, and makes grants for historical documentation through the National Historical Publications and Records Commission. In addition, NARA is charged with additional responsibilities including mediating Freedom of Information Act disputes and coordinating controlled unclassified information.

#### OPERATING EXPENSES

Appropriations, 2018 .....	\$384,911,000
Budget estimate, 2019 .....	365,105,000
Committee recommendation .....	375,105,000

#### PROGRAM DESCRIPTION

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

#### COMMITTEE RECOMMENDATION

The Committee recommends \$375,105,000 for operating expenses of the National Archives and Records Administration for fiscal year 2019.

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

The Committee continues to encourage NARA to digitize and post online archival records that are relocated as a result of a facility closure. The Committee directs NARA to report, within 90 days of enactment, on its progress to digitize and preserve physical access to archival records that have been or will be relocated to another State by any facility closure occurring from fiscal years 2014 to 2018, inclusive or planned for fiscal year 2019. The report shall: (1) describe the progress that has been made to digitize and post online such records that have been moved; (2) describe NARA's digitization priorities for 2019 pertaining to any relocated archival records; and (3) include a timeline for completing the digitization and posting online process. The Committee further directs NARA to give due consideration and appropriate adjudication, within the limits of the Federal Records Act and all applicable laws, of any request to review archival records that are relocated as a result of a facility closure, to determine whether those records continue to require permanent preservation in the National Archives.

*Recordkeeping.*—The Committee remains concerned about the ability of Federal agencies to effectively manage email and other electronic Federal records so that essential records are available when required by Congress in order to fulfill its oversight responsibilities. The executive branch must assure the American public that records documenting Government decisions and actions are retained for the appropriate time period and can be retrieved and provided to Congress in a timely manner and as required by law. The Presidential and Federal Records Act Amendments of 2014

(Public Law 113–187) modernized the Federal records management statutes to include emails and electronic records and to reinforce that the executive branch must manage these records with greater care and stewardship than what has been observed in recent months and years.

The Committee notes that NARA has made significant progress in issuing guidance directing executive branch agencies to manage electronic Federal records, including email records, as required by law. The Committee expects NARA to incorporate email recordkeeping standards into its inspections of other agencies’ records management programs, with special emphasis on personal and alias email accounts used for conducting official business. The Committee also notes that NARA has received additional resources to increase oversight over executive branch compliance with Federal recordkeeping laws. The Committee directs NARA to continue to place a high priority on its recordkeeping oversight mission and to report to the Committees on Appropriations of the House of Representatives and the Senate, the House Committee on Oversight and Government Reform, and the Senate Committee on Homeland Security and Governmental Affairs any instances of substantial non-compliance by executive agencies or significant risk to Federal records that are identified in the course of NARA oversight activities.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2018 .....	\$4,801,000
Budget estimate, 2019 .....	4,241,000
Committee recommendation .....	4,801,000

PROGRAM DESCRIPTION

The mission of the Office of Inspector General is to ensure that NARA safeguards and preserves the records of our Government while providing the American people with access to the essential documentation of their rights and the actions of their Government. The OIG accomplishes this by combating fraud, waste, and abuse through high-quality objective audits and investigations covering all aspects of agency operations at facilities nationwide. The OIG also serves as an independent, internal advocate for the economy, efficiency, and effectiveness of NARA and its operations.

COMMITTEE RECOMMENDATION

The Committee recommends \$4,801,000 for the OIG. The Committee supports a distinct account for the OIG in order to clearly identify the resources necessary to staff and operate the expanding mission-critical oversight and accountability functions performed by the OIG to ensure responsible NARA stewardship over public records.

REPAIRS AND RESTORATION

Appropriations, 2018 .....	\$7,500,000
Budget estimate, 2019 .....	7,500,000
Committee recommendation .....	7,500,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends \$7,500,000 for the repairs and restoration account. This amount is equal to the fiscal year 2018 enacted level and equal to the budget request.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

GRANTS PROGRAM

Appropriations, 2018 .....	\$6,000,000
Budget estimate, 2019 .....	.....
Committee recommendation .....	6,000,000

PROGRAM DESCRIPTION

The National Historical Publications and Records Commission [NHPRC] provides grants nationwide to preserve and publish records that document American history. Administered within the National Archives, which preserves Federal records, NHPRC helps State, local, and private institutions preserve non-Federal records, helps publish the papers of major figures in American history, and helps archivists and records managers improve their techniques, training, and ability to serve a range of information users. Since 1964, the NHPRC has funded nearly 5,000 projects at local government archives, colleges and universities, and other nonprofit institutions to facilitate use of public records and other collections by scholars, family and local historians, journalists, documentary filmmakers, and many others.

COMMITTEE RECOMMENDATION

The Committee recommends \$6,000,000 for the NHPRC. This amount is equal to the fiscal year 2018 enacted level.

The Committee commends the National Archives and Records Administration and the NHPRC for their work to ensure the publication and preservation of our Nation's history. The Committee urges the NHPRC to continue to support the completion of documentary editions through the Grants Program and to support the scholarly presentation of our country's most treasured historical documents.

NATIONAL CREDIT UNION ADMINISTRATION

COMMUNITY DEVELOPMENT REVOLVING LOAN FUND

Appropriations, 2018 .....	\$2,000,000
Budget estimate, 2019 .....	.....
Committee recommendation .....	2,000,000

PROGRAM DESCRIPTION

The Community Development Revolving Loan Fund [CDRLF] program was established in 1979 to assist officially designated “low-income” credit unions in providing basic financial services to low-income communities. Low-interest loans and deposits are made available to assist these credit unions. Loans or deposits are normally repaid in 5 years, although shorter repayment periods may be considered. Technical assistance grants [TAGs] are also available to low-income credit unions for improving operations as well as addressing safety and soundness issues. Credit unions use TAG funds for specific initiatives, including taxpayer assistance, financial education, home ownership initiatives, and training assistance.

COMMITTEE RECOMMENDATION

The Committee recommends \$2,000,000 for technical assistance grants to community development credit unions. The Committee expects the CDRLF to continue making loans from available funds derived from repaid loans and interest earned on previous loans to designated credit unions.

OFFICE OF GOVERNMENT ETHICS

SALARIES AND EXPENSES

Appropriations, 2018 .....	\$16,439,000
Budget estimate, 2019 .....	16,294,000
Committee recommendation .....	16,439,000

PROGRAM DESCRIPTION

The Office of Government Ethics [OGE], a separate agency within the executive branch, was established by the Ethics in Government Act of 1978 (Public Law 95–521). The OGE is charged by law to provide overall direction of executive branch policies designed to prevent conflicts of interest and ensure high ethical standards for executive branch employers. The OGE carries out these responsibilities by promulgating and maintaining enforceable standards of ethical conduct for nearly 2.7 million civilian employees in more than 130 executive branch agencies and the White House; overseeing a financial disclosure system that reaches 26,000 public and over 380,000 confidential financial disclosure report filers; ensuring that executive branch ethics programs are in compliance with applicable ethics laws and regulations; providing direct education and training products to more than 4,500 ethics officials executive branch-wide; conducting outreach to the general public, the private sector, and civil society; and providing technical assistance to, State, local, and foreign governments, and international organizations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$16,439,000 for salaries and expenses of the OGE in fiscal year 2019.



OFFICE OF PERSONNEL MANAGEMENT  
SALARIES AND EXPENSES  
(INCLUDING TRANSFER OF TRUST FUNDS)

Appropriations, 2018 .....	\$129,341,000
Budget estimate, 2019 .....	132,172,000
Committee recommendation .....	132,172,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends a general fund appropriation of \$132,172,000 for the salaries and expenses of the Office of Personnel Management.

*National Background Investigations Bureau.*—The National Background Investigations Bureau [NBIB] was created to restructure the way OPM handles background investigations in the wake of the massive breach announced in fiscal year 2016 that exposed sensitive information on millions of current, former and prospective Federal employees, their family members, and other contacts. While NBIB has efforts underway to improve, modernize, and streamline the background investigations process it continues to face a growing inventory of investigations, as recently as high as 700,000 investigations. The National Defense Authorization Act [NDAA] of 2018 § 925 states that the Secretary of Defense has the authority to conduct all types of background investigations for Department of Defense [DoD] personnel and mandates that, by October 1, 2020, DoD will assume responsibility for its own background investigations according to the implementation plan developed pursuant to §951(a)(1) of the NDAA of 2017. The Committee is aware that NBIB is cooperating with DoD on the implementation of this provision and is continuing to analyze other scenarios including transitioning NBIB outside of OPM. The Committee directs OPM and NBIB to provide quarterly updates to the Committees of Ap-

propriations as more developments occur and OPM issues an assessment of the impact of the transition and implications to the agency in fiscal year 2019 and beyond.

*Official Time.*—The Committee notes the importance of providing insight on official time hours to provide value to the taxpayer. In 2014, GAO recommended that OPM consider whether it would be useful to share agencies' practices on monitoring use of official time. GAO also recommended that OPM work with agencies to identify opportunities to increase efficiency of data collection and reporting of official time data to OPM. As a result, OPM solicited from agencies their practices on monitoring the use of official time. In its 2018 report, OPM found that bargaining unit employees spent a total of 3,633,290 hours performing representational duties on official time in fiscal year 2016, an increase of 4.76 percent compared to fiscal year 2014. Further, government-wide, the number of official time hours used per bargaining unit employee on representational matters increased from 2.88 hours in fiscal year 2014 to 2.97 hours during fiscal year 2016. The estimated total payroll costs, average salary and benefits, for fiscal year 2016 official time hours were \$177,211,408, compared to \$162,522,783 in fiscal year 2014. GAO has expressed concerns about how OPM determines cost estimates and OPM has stated they will continue to explore alternative approaches. OPM's report on official time usage in the Federal Government does not capture a complete accounting of all the costs of union activities in the Federal Government. OPM's report does not include the costs of taxpayer-funded facilities, equipment, and travel expenses agencies provide labor organizations as a result of collective bargaining. The Committee directs OPM to assist agencies in strengthening internal controls and increasing transparency and accountability for monitoring and reporting on the use of official time.

*IT Modernization.*—Since fiscal year 2017 the Committee has provided OPM \$32,000,000 to improve IT security and infrastructure. The Committee notes the progress OPM has made in its IT Transformation Strategy through activities such as migrating data center equipment and systems to strategic data centers and upgrading software components. The Committee supports OPM's efforts to develop an employee digital record and modernize the Trust Fund Federal Financial System. However, the Committee remains concerned about OPM's overall IT posture and directs OPM to implement the recommendations of GAO reports and IG reports to improve information security. The Committee continues a prior directive for OPM to provide quarterly briefings to the Committees on Appropriations of the House and Senate outlining progress on its IT Transformation and Cybersecurity Strategy.

*Federal Telework.*—The Committee notes that OPM's fiscal year 2016 report to Congress on the Status of Telework in the Federal Government found that from 2015 to 2016, telework participation increased from 20 percent to 22 percent of all employees and from 46 to 51 percent of eligible employees. The Committee encourages OPM to work with agencies to continue to improve data collection methods and provide training for employees and managers to be effective teleworkers. The Committee further encourages OPM to

work with agencies on establishing outcome goals for telework and to assess progress towards achieving those goals.

*Trust Fund Federal Financial System.*—The Committee supports OPM’s efforts to modernize the Trust Fund Federal Financial System [FFS] and highlights that the Consolidated Appropriations Act, 2018 (Public Law 115–141) provided \$9,400,000 to modernize FFS. OPM previously stated FFS was unable to meet many trust fund accounting and related business processes, resulting in increased inefficiencies across multiple areas within OPM. In June 2017, OPM issued a Request for Information [RFI] seeking input from industry. According to the RFI, OPM was looking for new and innovative technological approaches and solution options to fill existing technology and trust fund related business gaps that are preventing the agency from fulfilling long term strategic goals efficiently and cost effectively. The Committee directs OPM to submit a report within 30 days of enactment to the Committee on Appropriations providing a spend plan for the \$18,400,000 dedicated to the FFS initiative; the options the agency is pursuing to modernize FFS; and a timeline for completion of the modernization of FFS.

*Retirement Processing.*—The Committee acknowledges OPM’s actions to address the backlog of retirement claims and supports continued efforts to eliminate the backlog. OPM is directed to continue to inform the Committee of its progress.

*Federal Security Clearances.*—The Committee notes that in light of misconduct involving Federal contractor personnel under OPM’s Federal Investigative Services, there has been increased scrutiny into the process of conducting quality reviews for security clearance background investigations. The Committee recognizes the inherent conflict of interest when Federal security clearance contractors are contractually permitted to conduct quality reviews of their own work and urges the OPM Director to prevent future occurrences through stricter contractual control mechanisms. The Committee notes that preventing such inherent conflicts of interest with Federal contractors conducting security clearances significantly mitigates risk, a critical element to good governance and U.S. national security. Therefore, the Committee includes a provision in title VI preventing such contractors from conducting quality reviews of their own work. To ensure that contractor work is conducted properly, OPM should ensure that internal controls are implemented to prevent investigations from being closed prematurely.

LIMITATION

(TRANSFER OF TRUST FUNDS)

Limitation, 2018 .....	\$131,414,000
Budget estimate, 2019 .....	133,483,000
Committee recommendation .....	133,483,000

PROGRAM DESCRIPTION

These funds will be transferred from the appropriate trust funds of the Office of Personnel Management to cover administrative expenses for the retirement and insurance programs.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation of \$133,483,000 for administrative expenses.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

Appropriations, 2018 .....	\$5,000,000
Budget estimate, 2019 .....	5,000,000
Committee recommendation .....	5,000,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$5,000,000 for salaries and expenses of the Office of Inspector General in fiscal year 2019, which is equal to the budget request.

The Committee appreciates the audit work the Inspector General has conducted on OPM's IT security programs and practices and supports the OIG's recommendations to improve OPM's technical security controls. The Committee remains concerned about OPM's security posture as it overhauls its technology infrastructure. The Committee encourages the OIG to continue monitoring OPM's infrastructure improvement process. The Committee is also concerned about the ability of contractors to effectively provide assistance to millions of Americans that were affected by the data breach in addition to security controls with its existing vendors. The Committee encourages the OIG to continue to conduct oversight on OPM's contracting and procurement practices.

*Semiannual Report to Congress.*—The Committee encourages the OIG to regularly report in its Semiannual Report to Congress OPM's efforts to improve and address cybersecurity challenges including steps taken to prevent, mitigate, and respond to data

breaches involving sensitive personnel records and information; OPM's cybersecurity policies and procedures in place, including policies and procedures relating to IT best practices such as data encryption, multifactor authentication, and continuous monitoring; OPM's oversight of contractors providing IT services; and OPM's compliance with government-wide initiatives to improve cybersecurity.

(LIMITATION ON TRANSFER FROM TRUST FUNDS)

Limitation, 2018 .....	\$25,000,000
Budget estimate, 2019 .....	25,265,000
Committee recommendation .....	25,265,000

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on transfers from the trust funds in support of the OIG activities totaling \$25,265,000 for fiscal year 2019.

OFFICE OF SPECIAL COUNSEL

SALARIES AND EXPENSES

Appropriations, 2018 .....	\$26,535,000
Budget estimate, 2019 .....	26,252,000
Committee recommendation .....	26,535,000

PROGRAM DESCRIPTION

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

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

Enactment of the Whistleblower Protection Enhancement Act (Public Law 112-199) in November 2012 significantly expanded the jurisdiction of the OSC and the types of cases the OSC is required by law to investigate.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$26,535,000 for OSC, which is \$283,000 above the budget request and equal to the fiscal year 2018 enacted level.

*Veterans Affairs cases.*—OSC estimates that from fiscal years 2015 through 2017, Department of Veterans Affairs [VA] cases increased significantly, surpassing 5,883 new matters. Notably, three-fourths of OSC's whistleblower disclosures that are substantiated in full or in part are from the VA. The Committee commends

OSC’s ongoing work in obtaining relief for VA whistleblowers and recognizes that such success may be contributing to the willingness of VA employees to report wrongdoing, resulting in the continued increase in VA-related cases. The Committee supports OSC’s efforts to address these matters and expects that as OSC continues to move toward a more cohesive internal structure through its “One OSC” initiative, it will be able to allocate personnel resources more effectively to adjust to unit influxes to help address the increased VA caseload.

POSTAL REGULATORY COMMISSION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2018 .....	\$15,200,000
Budget estimate, 2019 .....	15,100,000
Committee recommendation .....	15,200,000

PROGRAM DESCRIPTION

The Postal Regulatory Commission [PRC] is an independent agency that has exercised regulatory oversight over the United States Postal Service since its creation by the Postal Reorganization Act of 1970. For over 3 decades, that oversight consisted primarily of conducting public, on-the-record hearings concerning proposed rates, mail classification, and major service changes, and recommended decisions for action to the Postal Service Board of Governors. The mission of the PRC is to ensure transparency and accountability of the United States Postal Service and foster a vital and efficient universal mail system.

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

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation, out of the Postal Fund, of \$15,200,000 for the PRC.

The Committee urges the PRC, which is funded from the Postal Service Fund and derived directly from postal rates and fees paid by postal customers, to optimize efficient use of its resources, including exercising prudent decision-making.

PRIVACY AND CIVIL LIBERTIES OVERSIGHT BOARD

SALARIES AND EXPENSES

Appropriations, 2018 .....	\$8,000,000
Budget estimate, 2019 .....	5,000,000
Committee recommendation .....	5,000,000

PROGRAM DESCRIPTION

The Privacy and Civil Liberties Oversight Board [PCLOB] is an independent agency within the executive branch established by the Implementing Recommendations of the 9/11 Commission Act of 2007 (Public Law 110–53). The Board is the successor to the Board created within the Executive Office of the President under the Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108–458) as recommended in the July 22, 2004 report of the National Commission on Terrorist Acts Upon the United States (the 9/11 Commission).

The Board’s purpose is to review and analyze actions the executive branch takes to protect the Nation from terrorism, ensuring the need for such actions is balanced with the need to protect privacy and civil liberties; and to ensure that liberty concerns are appropriately considered in the development and implementation of laws, regulations, and policies related to efforts to protect the Nation against terrorism.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$5,000,000 for the PCLOB. In addition, the Board has access to unobligated balances to fund Board current expenses.

PUBLIC BUILDINGS REFORM BOARD

SALARIES AND EXPENSES

Appropriations, 2018 .....	\$5,000,000
Budget estimate, 2019 .....	2,000,000
Committee recommendation .....	

PROGRAM DESCRIPTION

The Public Buildings Reform Board was created under the Federal Assets Sale and Transfer Act of 2016 to identify opportunities for the Government to significantly reduce its inventory of civilian real property and reduce cost to the Government.

COMMITTEE RECOMMENDATION

The Committee supports the Public Buildings Reform Board and efforts to reduce Federal real property costs by consolidating and selling underutilized and vacant Federal buildings and other civilian real property. The fiscal year 2018 budget request for the Board was \$2,000,000, while the Consolidated Appropriations Act of 2018 provided \$5,000,000. As a result, the Board has sufficient resources to meet expected obligations in fiscal year 2019. Additionally, a Chair has not been nominated by the President, and the six Board members have not been appointed by the President, resulting in lower than anticipated expenditures. As a result, the Committee recommendation does not include funding for the Board. However, the Committee will continue to monitor steps being taken to stand up the Board to ensure sufficient resources are available to meet program needs.

## SECURITIES AND EXCHANGE COMMISSION

## SALARIES AND EXPENSES

Appropriations, 2018 .....	\$1,896,507,052
Budget estimate, 2019 .....	1,699,052,809
Committee recommendation .....	1,695,490,000

## PROGRAM DESCRIPTION

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

The mission of the SEC is to administer and enforce Federal securities laws in order to protect investors, maintain fair, orderly, and efficient markets, and promote capital formation. This includes ensuring full disclosure of appropriate financial information, regulating the Nation's securities markets, and preventing and policing fraud and malpractice in the securities and financial markets.

## COMMITTEE RECOMMENDATION

The Committee recommends a total budget (obligational) authority of \$1,658,302,000 for the salaries and expenses of the SEC, to be fully derived from fee collections. The Committee also provides \$37,188,942 for costs associated with relocation under a replacement lease for the Commission's New York regional office facilities, should such a new building be the winning alternative in a competitive procurement process to be conducted by the GSA. The total appropriation of \$37,188,942 will be fully derived from offsetting collections whereby any unused portion of the funds would be refunded to fee payers. The Committee expects the Commission to work closely with the GSA to keep the Committee informed of progress on the replacement lease.

*Fee Offset Nature of Account.*—Pursuant to the Dodd-Frank Act, transaction fees receipts are treated as offsetting collections equal to the amount of the appropriation.

*Reserve Fund Notifications.*—The Committee appreciates the SEC's adherence to its obligation to notify Congress of the date, amount, and purpose of any obligation from the Fund within 10 days of such obligation. The Committee directs the SEC, in its written notifications to Congress required by 15 U.S.C. 78d(i)(3) regarding amounts obligated from the SEC Reserve Fund, to specify: (1) the balance in the fund remaining available after the obligation is deducted; (2) the estimated total cost of the project for which amounts are being deducted; (3) the total amount for all projects that have withdrawn funding from the Reserve Fund since fiscal year 2012; and (4) the estimated amount, per project, that will be required to complete all ongoing projects which use funding derived from the Reserve Fund.

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



days of enactment, a detailed spending plan for the allocation of expenditures from the Reserve Fund.

*Promoting Capital Formation.*—The opportunity to invest in the public companies has provided Main Street investors, workers planning for retirement, and families saving for college access to an extraordinary engine of wealth creation: equity ownership in growing businesses. Accordingly, the Committee is concerned by the decades-long decline in the number of public companies and initial public offerings in the United States. The Committee directs the Commission to consider the factors that may be driving these trends and report to the Committee on its conclusions within 90 days of enactment. The Commission’s consideration of these matters should include the greater availability of exemptions and the potential burdens imposed by registration policies, reporting requirements, and proxy rules and the impact of proxy advisory firms.

*Disclosure Thresholds.*—The Committee is concerned that investors could be circumventing the 5 percent disclosure threshold required by section 13(d) of the Securities Exchange Act. The Committee encourages the Commission to take steps so that investors may not use derivatives to conceal their true voting or investment power, to the extent the Commission currently has jurisdiction over such derivatives. Similarly, the Committee advises the Commission to take steps so that groups of investors are not allowed to avoid disclosure by breaking investments into smaller pieces that are under five percent.

*Cybersecurity Disclosure.*—The Committee appreciates the effort made by the Commission to provide clarity through its most recent interpretive guidance to assist public companies in preparing disclosures about cybersecurity risks and incidents. In particular, the Committee commends the Commission for recognizing that disclosures regarding “how the board of directors engages with management on cybersecurity issues allow investors to assess how a board of directors is discharging its risk oversight responsibility in this increasingly important area.” Still, the Committee encourages the Commission to build on this effort, for example, by carefully monitoring the disclosures provided by public companies after the Commission’s statement and interpretative guidance and by working to ensure that cybersecurity risks are being appropriately disclosed so that investors may have the material information necessary to make reasonable investment decisions.

*Registered Investment Professionals.*—The Committee recognizes the distinct roles of firms registered under the Securities Exchange Act of 1934 and of those solely registered under the Investment Advisers Act of 1940. The Committee encourages the Commission to be mindful of these differences in its pending rulemaking actions, as well as in any future rulemakings that the Commission conducts.

## SELECTIVE SERVICE SYSTEM

## SALARIES AND EXPENSES

Appropriations, 2018 .....	\$22,900,000
Budget estimate, 2019 .....	26,400,000
Committee recommendation .....	26,000,000

## PROGRAM DESCRIPTION

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

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

## COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$26,000,000 for the Selective Service System.

## SMALL BUSINESS ADMINISTRATION

Appropriations, 2018 .....	\$700,840,000
Budget estimate, 2019 .....	678,928,000
Committee recommendation .....	699,270,000

## PROGRAM DESCRIPTION

The Small Business Administration [SBA] provides American entrepreneurs access to capital, Federal contracting opportunities, and entrepreneurial education in order to grow businesses and create jobs. The SBA also provides disaster assistance for businesses of all sizes, non-profit organizations, homeowners, and renters.

## COMMITTEE RECOMMENDATION

The Committee recommendation provides \$699,270,000 for the Small Business Administration. Funding is distributed among the SBA appropriation accounts as described below.

SALARIES AND EXPENSES

Appropriations, 2018 .....	\$268,500,000
Budget estimate, 2019 .....	265,000,000
Committee recommendation .....	267,500,000

PROGRAM DESCRIPTION

The Salaries and Expenses appropriation provides for the overall operating expenses of the SBA, including compensation and benefits for staff located at headquarters, regional, and district offices, rent and other agency-wide costs, and operating costs for program offices, including the Office of Capital Access, Office of Credit Risk Management, Office of Entrepreneurial Development, Office of Investments and Innovation, Office of Government Contracting and Business Development, Office of International Trade, Office of Management and Administration, and for other program and supporting offices.

COMMITTEE RECOMMENDATION

The Committee recommendation provides \$267,500,000 for salaries and expenses of the SBA.

The Committee recommends at least \$12,000,000 for the SBA’s Office of Credit Risk Management [OCRM] for lender oversight and risk-based reviews. Funding for the Office of General Counsel has been provided separately from this total. In support of its mission to analyze and manage the risk of the SBA’s loan portfolio, OCRM performs performance analytics to identify and understand lender performance trends and assess the quality of the overall loan portfolio. The Committee finds that OCRM must play a key role in eliminating waste, fraud, and abuse in the SBA lending programs and protecting taxpayer losses on loans by ensuring lenders comply with procedures that mitigate the risk of loss under the SBA’s loan programs.

The Committee is concerned about the quality of lender oversight activities at the SBA, particularly considering the magnitude of the SBA’s loan portfolio, and notes that the SBA’s OIG continues to identify weaknesses in the SBA’s lender oversight process. The 7(a) loan program alone has grown over 50 percent in the past three fiscal years, and the Committee strongly believes the SBA must conduct robust oversight and enforcement efforts to ensure the integrity of all lending programs. The SBA loan programs rely on numerous outside parties (e.g., private lenders, local economic development organizations, nonprofit community lenders, and venture capital investors) to complete loan transactions, and many of the SBA’s loans are made by lenders to whom the SBA has delegated loan-making authority. GAO recently found that the SBA does not routinely collect or analyze information on the criteria used by lenders for borrowers who cannot obtain conventional credit at reasonable terms elsewhere (GAO–18–421). GAO recommended specific steps to improve the SBA’s monitoring efforts. The SBA’s Inspector General also recently found that certain 7(a) loans to poultry farmers did not meet regulatory and SBA requirements for eligibility (OIG Report 18–13). The Committee agrees with GAO and the SBA OIG recommendations and urges the SBA to implement

controls to reinforce general program soundness and manage overall risk.

*NAICS Code.*—The SBA has three exceptions to the North American Industry Classification System [NAICS] Code 541712. These exceptions, due to their similarity, have created confusion in the procurement process and unnecessarily limited opportunities for small businesses. Therefore, the Committee directs the SBA to consolidate the three current exceptions into one single exception, with an employee cap of 1,500. The methodology for determining employee size for NAICS Codes should also be revised to use a 36 month rolling average computation in lieu of a 12 month rolling average.

*SBIC Licensing.*—The Committee would like to see an expedited and streamlined licensing process for known, repeat Small Business Investment Companies [SBICs] that have the same management teams and a proven track record in the SBIC Program. A fast-track process for repeat licensees should be completed no longer than 60–90 days after an application is submitted to the SBA, which will allow the SBA to properly redirect their licensing resources to more first-time funds. The SBA should improve their “green light letter,” so that it clearly outlines the needed benchmarks for license approval. The SBA should not reduce the amount or type of SBIC program data it has reported for years and should make that data available no less than 10 business days after the end of the quarter.

*SBIC Concentration.*—The Committee is concerned about the geographic concentration of SBICs. Seventy-two percent of all SBICs are located in 10 states, and seventeen states do not have a single SBIC. Regardless of the geographic spread of investments being made in small businesses by SBICs, there is great economic value for firms receiving SBIC financing to have increased proximity to their investors, as well as economic value for regions that contain SBICs. The Committee looks forward to receiving a report as directed in the Joint Explanatory Statement of the Consolidated Appropriations Act, 2018 directing the SBA to develop a plan to increase the geographic dispersion of SBICs and the number of SBICs in states that currently do not have them. The Committee further directs the SBIC program to include in its annual report progress on this plan as part of the authorizing statute’s direction to detail “the Administration’s plans to insure the provision of small business investment company financing to all areas of the country.” The Committee also encourages the SBA to conduct Investment Committee interviews on-site or as close to the applicant’s physical location as possible.

*SBIC Collaboration.*—The SBA is directed to continue its collaborative effort with the SEC to ensure effective oversight of SBICs and the protection of SBIC investors.

*Federal and State Technology Partnership Program.*—The Committee recommends \$3,000,000 for the Federal and State Technology [FAST] Partnership Program in fiscal year 2019. The Committee supports the FAST program’s efforts to reach innovative, technology-driven small businesses and to leverage the Small Business Innovation Research [SBIR] and Small Business Technology Transfer [STTR] program to stimulate economic development. The

FAST program is particularly important in States that are seeking to build high technology industries but are underrepresented in the SBIR/STTR programs. The Committee recognizes that Small Business and Technology Development Centers [SBTDCs] serve small businesses in these fields and are accredited to provide intellectual property and technology commercialization assistance to businesses in high technology industries. Of the amount provided, \$1,000,000 shall be for FAST awards to SBTDCs fully accredited for technology designation as of December 31, 2018.

*Interagency Committee for Women’s Business Enterprise.*—The Committee recognizes the efforts of the SBA, along with the National Women’s Business Council, in leading current efforts at the Federal level to assist women-owned businesses and entrepreneurs. The Committee encourages the SBA to examine the re-establishment of the Interagency Committee for Women’s Business Enterprise in order to improve the ability of the Federal Government to better coordinate Federal resources assisting women business owners and eliminate redundancies among Federal agencies.

ENTREPRENEURIAL DEVELOPMENT PROGRAMS

Appropriations, 2018 .....	\$247,100,000
Budget estimate, 2019 .....	192,450,000
Committee recommendation .....	241,600,000

PROGRAM DESCRIPTION

The SBA’s Entrepreneurial Development Programs support non-credit business assistance to entrepreneurs. The appropriation includes funding for a vast network of resource partners located throughout the Nation, including Small Business Development Centers, Women’s Business Centers, SCORE (previously Service Corps of Retired Executives) chapters, and Veterans Business Outreach centers. This resource network and several other SBA programs provide training, counseling, and technical assistance to entrepreneurs.

COMMITTEE RECOMMENDATION

The Committee recommendation provides \$241,600,000 for the SBA Entrepreneurial Development Programs.

The Committee recommendations, by program, are displayed in the following table:

ENTREPRENEURIAL DEVELOPMENT PROGRAMS

[In thousands of dollars]

	Committee recommendation
7(j) Technical Assistance .....	2,800
Entrepreneurship Education .....	2,000
Growth Accelerators .....	2,000
HUBZone Program .....	3,000
Microloan Technical Assistance .....	31,000
National Women’s Business Council .....	1,500
Native American Outreach .....	2,000
Regional Innovation Clusters .....	5,000
SCORE .....	11,500
Small Business Development Centers (SBDCs) .....	130,000

## ENTREPRENEURIAL DEVELOPMENT PROGRAMS—Continued

[In thousands of dollars]

	Committee recommendation
State Trade Expansion Promotion (STEP) .....	18,000
Veterans Outreach .....	12,300
PRIME Technical Assistance .....	2,500
Women's Business Centers (WBC) .....	18,000
Total, Entrepreneurial Development Programs .....	241,600

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

*Small Business Development Centers.*—The Committee continues to support the Small Business Development Center [SBDC] Program and recommends \$130,000,000 for fiscal year 2019. SBDCs play an integral role in the SBA resource partner network that supports 1,200,000 small business owners and aspiring entrepreneurs each year. Through more than 900 service centers, SBDCs provide management and technical assistance in key areas to small business clients throughout the Nation. The SBDC program is the largest grant program in the SBA's portfolio. The OIG has identified problems with co-mingling SBDC grant funds with private- enterprise contributions and accounting for required matching funds. Some SBDCs are also co-located with WBC's, which makes it difficult to determine what services are associated with each grant program. In addition, having two grant programs delivering similar services increases the risk of duplicating services and contributes to government waste. A recent OIG review determined that an SBDC's subcenters did not adequately document employees' time and effort on the grant (Report 16-06). The Committee urges the SBA to conduct comprehensive credit risk management through its loan and lender monitoring system and focused reviews of SBA lending partners to identify both performance and compliance risk behaviors. These tools and updated processes will enhance risk mitigation in a cost-effective manner. Multi-stage portfolio monitoring and targeted levels of assessments will allow SBA staff to determine the potential risk of each lending partner and what level and scope of review is most applicable. The Committee stresses the importance of improving its oversight and controls of grants for entrepreneurial development.

The Committee directs that, subject to the availability of funds, the Administrator of the SBA shall, to the extent practicable, ensure that a small business development center is appropriately reimbursed within the same fiscal year in which the expenses are submitted for reimbursement for any and all legitimate expenses incurred in carrying out activities under section 21(a)(1) et seq. of the Small Business Act (15 U.S.C. 648(a)(1) et seq.).

*SCORE.*—The Committee recommends \$11,500,000 for the SCORE Program (formerly known as the Service Corps of Retired Executives). The SCORE program is a national volunteer organization which provides management and technical assistance training

to small business owners and prospective owners. SCORE counselors are volunteers who assist clients virtually and in-person through 350 SCORE chapter offices, SBA's 68 district offices, and other establishments. The program is authorized to solicit cash and in-kind contributions from the private sector to be used to carry out its functions and provides services at no charge or very low cost. The Committee understands that the cooperative agreement to SCORE funds volunteer recruitment, training and support, equipment and leases, technology, management systems, evaluations, marketing materials, and course development necessary for a successful volunteer provider network. The Committee directs the SBA to provide to the Committee within 60 days of enactment a cost break-out of direct costs including grants and contracts and compensation and benefits as well as agency-wide costs such as rent. Further, the Committee directs SBA to provide performance metrics on the program including how the program will meet its target of serving 600,000 clients each year and how the program determines the number of small businesses created by SCORE.

*Women's Business Centers.*—The Committee recommends \$18,000,000 for WBCs. The WBC program funds more than 100 nonprofit organizations that provide quality advising and training services to women entrepreneurs in socially or economically disadvantaged communities in an effort to help women start their own businesses. Participating organizations must match the Federal funding with one non-Federal dollar for every two Federal dollars during the first 2 years and on a one-to-one basis thereafter. The Committee recommends that the SBA refine and share its quarterly dashboard of performance goals with all WBCs for transparency and coordinate services with other business assistance programs to avoid duplication.

*Veterans Programs.*—The Committee supports funding for veterans programs and provides \$12,300,000 for veterans outreach, which includes funding for Veterans Business Outreach Centers, Boots to Business, Veteran-Women Igniting the Spirit of Entrepreneurship, Entrepreneurship Bootcamp for Veterans with Disabilities, and Boots to Business Reboot. The recommendation is equal to the fiscal year 2018 enacted level and above the budget request.

*Native American Outreach.*—The SBA's Office of Native American Affairs works to ensure that American Indians, Alaska Natives, and Native Hawaiians seeking to create, develop, and expand small businesses have full access to SBA's entrepreneurial development, lending, and procurement programs. The Committee recommends \$2,000,000 for SBA's Native American Outreach program. The recommendation is equal to the fiscal year 2018 enacted level and above the budget request. The Committee encourages the SBA to coordinate the Native American Outreach program to ensure there is no duplication or overlap and that these programs operate at the highest quality level.

*HUBZone.*—The Historically Underutilized Business Zones [HUBZone] program helps small businesses in urban and rural communities gain preferential access to Federal procurement opportunities. The Committee recommends \$3,000,000 for the HUBZone program. This program is a critical resource for dis-

tressed communities, especially those surrounding military bases closed under the Base Realignment and Closure process.

*Regional Innovation Clusters.*—The Committee recommends \$5,000,000 for the SBA’s regional innovation clusters. The Committee encourages the SBA to support nonprofit organizations that provide business development services designed to accelerate industry sectors built on regional assets under the initiative. The Committee encourages the SBA to support initiatives that promote a culture of innovative entrepreneurship and provide services and support directly to early-stage and high-tech innovation opportunities.

*State Trade and Expansion Promotion [STEP].*—The Committee recommends \$18,000,000 for STEP for fiscal year 2018. STEP provides grants to states to supplement their export promotion programs with the goal of increasing the number of small businesses that are exporting and raising the value of exports for small businesses that are already exporting. States provide matching funds for STEP grants and have used funds to support trade missions, international marketing efforts, export counseling, and export trade show exhibits.

The SBA’s Inspector General recently reported on the extent to which STEP recipients measured program activity performance and overall management and effectiveness of STEP (Report 18–11). The OIG found that the SBA made significant progress in improving the overall management and effectiveness of STEP since 2012 but that the SBA needs to improve its performance measures and program oversight. Specifically, the SBA relied on unverified return on investment measurements instead of other performance measures and did not ensure program recipients achieved program goals. The Committee urges the SBA to implement the OIG’s recommendations to improve the overall management and effectiveness of STEP.

*Entrepreneurial Education.*—The Committee recommends \$2,000,000 for the entrepreneurial education program. The recommendation will allow the SBA to support its entrepreneurial education initiative to provide intensive training to small business owners with existing small businesses that have completed the “start up” phase and are facing common, solvable challenges to sustain and grow their businesses.

*Growth Accelerators.*—The Committee recommends \$2,000,000 for growth accelerators—organizations that help entrepreneurs start and scale their business—which provide awards in the amount of \$50,000. Within amounts provided for growth accelerators, the SBA shall prioritize funding to applications from States that have not previously received an award.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2018 .....	\$19,900,000
Budget estimate, 2019 .....	21,900,000
Committee recommendation .....	21,900,000

PROGRAM DESCRIPTION

The SBA Office of Inspector General conducts audits to identify wasteful expenditures and program mismanagement, investigates



fraud and other wrongdoing, and takes other actions to deter and detect waste, fraud, abuse, and inefficiencies in SBA programs and operations.

COMMITTEE RECOMMENDATION

The Committee recommendation provides \$21,900,000 for the OIG.

The Committee directs the OIG to continue routine analysis and reporting on the SBA’s oversight of the 7(a) loan program; effective management of counseling and training services offered by partner organizations; and the SBA’s management of the Disaster Assistance Program.

OFFICE OF ADVOCACY

Appropriations, 2018 .....	\$9,120,000
Budget estimate, 2019 .....	9,120,000
Committee recommendation .....	9,120,000

PROGRAM DESCRIPTION

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

COMMITTEE RECOMMENDATION

The Committee recommendation provides \$9,120,000 for the Office of Advocacy.

BUSINESS LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2018 .....	\$156,220,000
Budget estimate, 2019 .....	4,000,000
Committee recommendation .....	159,150,000

PROGRAM DESCRIPTION

The SBA administers a variety of loan programs to expand entrepreneurs’ access to capital to start and grow small businesses. The 7(a) loan program is the Federal Government’s primary business loan program to assist small businesses in obtaining financing when they do not qualify for traditional credit. Under 7(a), the SBA guarantees a portion (typically 75 to 90 percent) of loans made by private lenders. Under the 504 program, the SBA supports loans to small businesses for financing major fixed assets such as real estate and major equipment. The 504 program combines SBA guaranteed loans made by nonprofit Certified Development Companies with loans from private lenders to provide financing for small businesses.

Under the Small Business Investment Company [SBIC] program, the SBA partners with professionally managed investment funds, called SBICs. The SBICs combine their own capital with funds borrowed with an SBA guarantee to make investments in small businesses.

Finally, under the Microloan program, the SBA provides funds to specialized nonprofit, community-based intermediary lenders which provide small loans for working capital, inventory, and other operating expenses. The maximum microloan is \$50,000 and the average loan made under the program is approximately \$13,000.

COMMITTEE RECOMMENDATION

The Committee recommendation provides \$159,150,000 for the Business Loans Program Account for fiscal year 2019.

The recommendation provides \$155,150,000 for administrative expenses, which may be transferred to and merged with SBA salaries and expenses to cover the common overhead expenses associated with the business loans programs.

The recommendation provides \$4,000,000 for the Microloan direct loan program to support lending volume estimated at \$42,000,000. An additional amount of \$31,000,000 is recommended under the heading “Entrepreneurial Development Programs” for technical assistance grants to Microlending intermediaries.

DISASTER LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

Appropriations, 2018 .....	
Budget estimate, 2019 .....	\$186,458,000
Committee recommendation .....	

PROGRAM DESCRIPTION

The SBA provides low-interest, long-term loans to businesses of all sizes, homeowners, renters, and nonprofit organizations affected by disasters. The SBA disaster loans are the primary form of Federal assistance for the repair and rebuilding of non-farm, private sector disaster losses. The SBA makes two types of disaster loans. Physical disaster loans are for permanent rebuilding and replacement of uninsured or underinsured disaster-damaged privately owned real and/or personal property and are available to businesses of all sizes, nonprofit organizations, homeowners, and renters. Economic Injury Disaster Loans provide necessary working capital for small businesses and nonprofit organizations until normal operations resume after a disaster.

COMMITTEE RECOMMENDATION

The bill provides no funding for the administrative costs of the Disaster Loans Program. The Disaster Loans Program Administration account received \$225,000,000 in supplemental funding in Public Law 115–56 and \$618,000,000 in Public Law 115–123. As of May 31, 2018, the SBA had \$580,000,000 available in unobligated no-year administrative funds. However, the Committee will continue to monitor the SBA’s staffing needs and its response to prior and future disaster events and declarations.

*SBA Disaster Loan Duplication of Assistance.*—The Committee is concerned that some disaster victims are penalized with disaster relief benefit reductions if they apply for SBA disaster loans but wind up not taking the loan when other federal assistance is awarded. The Committee urges the SBA to continue working with

the Department of Housing and Urban Development on the consideration of whether an applicant for assistance from the grantee applied and was approved for, but declined, assistance related to the major disaster from the administration under section 7(b) of the Small Business Act.

ADMINISTRATIVE PROVISIONS—SMALL BUSINESS ADMINISTRATION  
(INCLUDING RESCISSION AND TRANSFER OF FUNDS)

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

Section 531 includes a provision concerning 7(a) loan level authority.

UNITED STATES POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

Appropriations, 2018 .....	\$58,118,000
Budget estimate, 2019 .....	55,235,000
Committee recommendation .....	55,235,000

PROGRAM DESCRIPTION

The United States Postal Service does not depend upon taxpayer subsidies through discretionary appropriations for its operations but generates nearly all of its more than \$65,000,000,000 in annual gross operating revenue by charging users of the mail for the costs of postage, products, and services. Funds provided to the Postal Service in the Payment to the Postal Service Fund include appropriations for revenue forgone including providing free mail for the blind, and for overseas absentee voting.

COMMITTEE RECOMMENDATION

The Committee recommends appropriations totaling \$55,235,000 for payment to the Postal Service Fund to compensate for revenue forgone on free mail for the blind and for overseas voters.

The Committee includes provisions in the bill to ensure that mail for overseas voting and mail for the blind shall continue to be free; that 6-day delivery and rural delivery of mail shall continue without reduction; and that none of the funds provided be used to consolidate or close small rural and other small post offices in fiscal year 2019.

*Multinational Species Conservation Fund Semi-Postal Stamp.*—The Committee supports the Multinational Species Conservation Fund Semi-Postal Stamp. The Committee understands that more than 40 million copies of the original printing of the stamp remain. As the law permits the US. Postal Service to continue to sell the stamp and it can be done at no additional cost to the taxpayer, the Committee directs the US. Postal Service to continue to offer the stamp for sale to the public through fiscal year 2020.

OFFICE OF INSPECTOR GENERAL  
 SALARIES AND EXPENSES  
 (INCLUDING TRANSFER OF FUNDS)

Appropriations, 2018 .....	\$245,000,000
Budget estimate, 2019 .....	234,650,000
Committee recommendation .....	250,000,000

PROGRAM DESCRIPTION

The United States Postal Service OIG is an independent organization established in 1996 and charged with reporting to Congress on the overall efficiency, effectiveness, and economy of Postal Service programs and operations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation, out of the Postal Fund, of \$250,000,000 for the United States Postal Service OIG. The amount is \$5,000,000 above the fiscal year 2018 enacted level to address the growing concern of narcotics trafficking through the mail system.

UNITED STATES TAX COURT  
 SALARIES AND EXPENSES

Appropriations, 2018 .....	\$50,740,000
Budget estimate, 2019 .....	55,563,000
Committee recommendation .....	51,515,000

PROGRAM DESCRIPTION

The U.S. Tax Court is an independent judicial body in the legislative branch established in 1969 under Article I of the Constitution of the United States. The Court was created to provide a national forum for the resolution of disputes between taxpayers and the Internal Revenue Service, to resolve cases expeditiously while giving careful consideration to the merits of each matter, and to ensure the uniform interpretation of the Internal Revenue Code.

The Tax Court is one of three courts in which taxpayers can bring suit to contest IRS liability determinations, and the only one in which taxpayers can do so without prepaying any portion of the disputed taxes. The matters over which the Court has jurisdiction are set forth in various sections of title 26 of the United States Code.

The Court is composed of 19 judges, one of whom the judges elect as chief judge. Tax Court judges are appointed to 15-year terms by the President with the advice and consent of the Senate. In their judicial duties the judges are assisted by senior judges, who participate in the adjudication of regular cases, and by special trial judges, who hear small tax cases and certain regular cases assigned to them by the chief judge.

The Court is headquartered in Washington, DC, and conducts trial sessions in 74 cities throughout the United States, including Hawaii and Alaska. Decisions by the Court are reviewable by the

U.S. Courts of Appeals and, if certiorari is granted, by the Supreme Court.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$51,515,000 for the U.S. Tax Court.

STATEMENT CONCERNING GENERAL PROVISIONS

The Financial Services and General Government appropriations bill includes general provisions which govern both the activities of the agencies covered by the bill, and, in some cases, activities of agencies, programs, and general government activities that are not specifically covered by the bill.

The bill contains a number of general provisions that have been carried in this bill for many years and which are routine in nature and scope. General provisions in the bill are explained under this section of the report. Those general provisions that deal with a single agency only are shown as administrative provisions immediately following that particular agency's or department's appropriation accounts in the bill. Those provisions that address activities or directives affecting all of the agencies covered in this bill are contained in title VI. General provisions that are Governmentwide in scope are specified in title VII of this bill. General provisions applicable to the District of Columbia are set forth in title VIII of this bill.

## TITLE VI

### GENERAL PROVISIONS—THIS ACT

Section 601 continues the provision prohibiting pay and other expenses of non-Federal parties intervening in regulatory or adjudicatory proceedings funded in this act.

Section 602 continues the provision prohibiting obligations beyond the current fiscal year and prohibits transfers of funds unless expressly provided.

Section 603 continues the provision limiting expenditures for any consulting service through procurement contracts where such expenditures are a matter of public record and available for public inspection.

Section 604 continues the provision prohibiting funds in this act from being transferred without express authority.

Section 605 continues the provision prohibiting the use of funds to engage in activities that would prohibit the enforcement of section 307 of the 1930 Tariff Act (46 Stat. 590).

Section 606 continues the provision prohibiting the use of funds unless the recipient agrees to comply with the Buy American Act.

Section 607 continues the provision prohibiting funding for any person or entity convicted of violating the Buy American Act.

Section 608 continues the provision authorizing the reprogramming of funds and specifies the reprogramming procedures for agencies funded by this act.

Section 609 continues the provision ensuring that 50 percent of unobligated balances may remain available for certain purposes.

Section 610 continues the provision restricting the use of funds for the Executive Office of the President to request official background reports from the Federal Bureau of Investigation without the written consent of the individual who is the subject of the report.

Section 611 continues the provision ensuring that the cost accounting standards shall not apply with respect to a contract under the Federal Employees Health Benefits Program.

Section 612 continues the provision allowing use of certain funds relating to nonforeign area cost of living allowances.

Section 613 continues the provision prohibiting the expenditure of funds for abortions under the Federal Employees Health Benefits Program.

Section 614 continues the provision providing an exemption from section 613 if the life of the mother is in danger or the pregnancy is a result of an act of rape or incest.

Section 615 continues the provision waiving restrictions on the purchase of nondomestic articles, materials, and supplies in the case of acquisition by the Federal Government of information technology.

Section 616 continues a provision on the acceptance by agencies or commissions funded by this act, or by their officers or employees, of payment or reimbursement for travel, subsistence, or related expenses from any person or entity (or their representative) that engages in activities regulated by such agencies or commissions.

Section 617 continues a provision permitting the Securities and Exchange Commission and the Commodity Futures Trading Commission to fund a joint advisory committee to advise on emerging regulatory issues, notwithstanding section 708 of this act.

Section 618 continues the provision requiring agencies covered by this act with independent leasing authority to consult with the General Services Administration before seeking new office space or making alterations to existing office space.

Section 619 provides for several appropriated mandatory accounts, where authorizing language requires the payment of funds for Compensation of the President, the Judicial Retirement Funds (Judicial Officers' Retirement Fund, Judicial Survivors' Annuities Fund, and the United States Court of Federal Claims Judges' Retirement Fund), the Government Payment for Annuitants for Employee Health Benefits and Employee Life Insurance, and the Payment to the Civil Service Retirement and Disability Fund. In addition, language is included for certain retirement, healthcare and survivor benefits required by 3 U.S.C. 102 note.

Section 620 is a provision allowing the Public Company Accounting Oversight Board to obligate amounts collected from monetary penalties for the purpose of funding scholarships for accounting students, as authorized by the Sarbanes-Oxley Act of 2002 (Public Law 107-204).

Section 621 continues the provision prohibiting funds for the Federal Trade Commission to complete the draft report on food marketed to children unless certain requirements are met.

Section 622 continues a provision addressing conflicts of interest by preventing contractor security clearance-related background investigators from undertaking final Federal reviews of their own work.

Section 623 continues the provision providing authority for Chief Information Officers over information technology spending.

Section 624 continues the provision prohibiting funds from being used in contravention of the Federal Records Act.

Section 625 continues the provision related to electronic communications.

Section 626 continues the provision relating to Universal Service Fund payments for wireless providers.

Section 627 continues the provision relating to inspectors general.

Section 628 continues the provision relating to pornography and computer networks.

Section 629 continues the provision relating to the Securities and Exchange Commission.

Section 630 is a new provision to prohibit funds to pay for award or incentive fees for contractors with below satisfactory performance.

Section 631 is a new provision relating to conference expenditures.

Section 632 is a new provision to prohibit acquisition of certain telecommunications equipment.

Section 633 is a new provision relating to Federal travel.



TITLE VII  
GENERAL PROVISIONS—GOVERNMENTWIDE  
DEPARTMENTS, AGENCIES, AND CORPORATIONS  
(INCLUDING TRANSFER OF FUNDS)

Section 701 continues the provision requiring agencies to administer a policy designed to ensure that all of its workplaces are free from the illegal use of controlled substances.

Section 702 continues the provision setting specific limits on the cost of passenger vehicles purchased by the Federal Government with exceptions for police, heavy duty, electric hybrid, and clean fuels vehicles with an exception for commercial vehicles that operate on emerging motor vehicle technology.

Section 703 continues the provision allowing funds made available to agencies for travel to also be used for quarters allowances and cost-of-living allowances.

Section 704 continues the provision prohibiting the Government, with certain specified exceptions, from employing non-U.S. citizens whose posts of duty would be in the continental United States.

Section 705 continues the provision ensuring that agencies will have authority to pay the General Services Administration for space renovation and other services.

Section 706 continues the provision allowing agencies to use receipts from the sale of materials for acquisition, waste reduction and prevention, environmental management programs, and other Federal employee programs.

Section 707 continues the provision providing that funds for administrative expenses may be used to pay rent and other service costs in the District of Columbia.

Section 708 continues the provision precluding interagency financing of groups absent prior statutory approval.

Section 709 continues the provision prohibiting the use of appropriated funds for enforcing regulations disapproved in accordance with the applicable law of the United States.

Section 710 continues the provision limiting the amount that can be used for redecoration of offices under certain circumstances.

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

Section 712 continues the provision requiring agencies to certify that a schedule C appointment was not created solely or primarily to detail the employee to the White House.

Section 713 continues the provision prohibiting the use of funds to prevent Federal employees from communicating with Congress

or to take disciplinary or personnel actions against employees for such communication.

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

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

Section 716 continues the provision prohibiting the use of appropriated funds by an agency to provide home addresses of Federal employees to labor organizations, absent employee authorization, or court order.

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

Section 718 continues the provision prohibiting the use of appropriated funds for publicity or propaganda purposes within the United States not authorized by Congress.

Section 719 continues the provision directing agencies' employees to use official time in an honest effort to perform official duties.

Section 720 continues the provision authorizing the use of current fiscal year funds to finance an appropriate share of the Federal Accounting Standards Advisory Board administrative costs.

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

Section 722 continues the provision authorizing breastfeeding at any location in a Federal building or on Federal property.

Section 723 continues the provision permitting interagency funding of the National Science and Technology Council, and requiring an OMB report on the budget and resources of the Council.

Section 724 continues the provision requiring identification of the Federal agencies providing Federal funds and the amount provided for all proposals, solicitations, grant applications, forms, notifications, press releases, or other publications related to the distribution of funding to a State.

Section 725 continues the provision prohibiting the use of funds to monitor personal information relating to the use of Federal Internet sites.

Section 726 continues the provision regarding contraceptive coverage under the Federal Employees Health Benefits Plan.

Section 727 continues the provision recognizing that the United States is committed to ensuring the health of the Olympic, Pan American and Paralympic athletes, and supports the strict adherence to antidoping in sport activities.

Section 728 continues the provision allowing departments and agencies to use official travel funds to participate in the fractional aircraft ownership pilot programs.

Section 729 continues the provision prohibiting funds for implementation of OPM regulations limiting detailees to the legislative branch and placing certain limitations on the Coast Guard Congressional Fellowship program.

Section 730 continues the provision prohibiting the expenditure of funds for the acquisition of certain additional Federal law enforcement training facilities.

Section 731 continues a provision that prohibits executive branch agencies from creating or funding prepackaged news stories that are broadcast or distributed in the United States unless specific notification conditions are met.

Section 732 continues a provision prohibiting funds used in contravention of the Privacy Act, section 552a of title 5, United States Code or section 522.224 of title 48 of the Code of Federal Regulations.

Section 733 continues a provision prohibiting funds in this or any other act from being used for Federal contracts with inverted domestic corporations or other corporations using similar inverted structures, unless the contract preceded this act or the Secretary grants a waiver in the interest of national security.

Section 734 continues a provision requiring agencies to remit to the Civil Service Retirement and Disability Fund an amount equal to the Office of Personnel Management's average unit cost of processing a retirement claim for the preceding fiscal year to be available to the Office of Personnel Management for the cost of processing retirements of employees who separate under Voluntary Early Retirement Authority or who receive Voluntary Separation Incentive Payments.

Section 735 continues a provision prohibiting funds to require any entity submitting an offer for a Federal contract to disclose political contributions.

Section 736 continues a provision prohibiting funds for the painting of a portrait of an employee of the Federal Government including the President, the Vice President, a Member of Congress, the head of an executive branch agency, of the head of an office of the legislative branch.

Section 737 continues a provision limiting the pay increases of certain prevailing rate employees.

Section 738 continues a provision eliminating automatic statutory pay increases for the Vice President, political appointees paid under the executive schedule, ambassadors who are not career members of the Foreign Service, politically appointed (noncareer) Senior Executive Service employees, and any other senior political appointee paid at or above level IV of the executive schedule.

Section 739 continues a provision requiring reports to Inspectors General concerning expenditures for agency conferences.

Section 740 continues a provision prohibiting the use of funds to increase, eliminate, or reduce a program or project unless such change is made pursuant to reprogramming or transfer provisions.

Section 741 continues a provision prohibiting the Office of Personnel Management or any other agency from using funds to implement regulations changing the competitive areas under reductions-in-force for Federal employees.

Section 742 continues a provision that prohibits the use of funds to begin or announce a study or a public-private competition regarding the conversion to contractor performance of any function performed by civilian Federal employees pursuant to Office of Man-

agement and Budget Circular A-76 or any other administrative regulation, directive, or policy.

Section 743 continues a provision that ensures that contractors are not prevented from reporting waste, fraud, or abuse by signing confidentiality agreements that would prohibit such disclosure.

Section 744 continues a provision prohibiting funds to any corporation with certain unpaid Federal tax liabilities unless an agency has considered suspension or debarment of the corporation and made a determination that this further action is not necessary to protect the interests of the Government.

Section 745 continues a provision prohibiting funds to any corporation that was convicted of a felony criminal violation within the preceding 24 months unless an agency has considered suspension or debarment of the corporation and has made a determination that this further action is not necessary to protect the interests of the Government.

Section 746 continues a provision prohibiting the expenditure of funds for the implementation of agreements in certain nondisclosure policies unless certain provisions are included in the policies.

Section 747 continues a provision relating to the Bureau of Consumer Financial Protection.

Given the need for transparency and accountability in the Federal budgeting process, the Committee directs the Bureau to provide a briefing at least annually before the relevant Appropriations subcommittee on the Bureau's finances and expenditures.

Section 748 continues a provision that addresses possible technical scorekeeping differences for fiscal year 2018 between the Office of Management and Budget and the Congressional Budget Office.

Section 749 is a provision to provide a pay increase for Federal employees.

Section 750 continues a provision declaring the inapplicability of these general provisions to title IV and title VIII.

TITLE VIII  
GENERAL PROVISIONS—DISTRICT OF COLUMBIA  
(INCLUDING TRANSFER OF FUNDS)

Section 801 continues the provision that allows the use of local funds for refunding overpayments of taxes collected and for paying settlements and judgments against the District of Columbia government.

Section 802 continues the provision that prohibits the use of Federal funds for publicity or propaganda designed to support or defeat legislation before Congress or any State legislature.

Section 803 continues the provision that establishes notification requirements for certain reprogramming and transfer requirements with respect to funds and specifies a timeframe for approval and execution of requests to reprogram and transfer local funds.

Section 804 continues the provision that prohibits the use of Federal funds for salaries, expenses, or other costs associated with the offices of U.S. Senator or Representative under section 4(d) of the D.C. Statehood Constitutional Convention Initiatives of 1979.

Section 805 continues, with a modification, the provision that restricts the use of official District of Columbia government vehicles to official duties and not between a residence and workplace, except under certain circumstances.

Section 806 continues the provision that prohibits the use of Federal funds by the District of Columbia Attorney General or any other officer or entity of the District government to provide assistance for any petition drive or civil action which seeks to require Congress to provide for voting representation in Congress for the District of Columbia.

Section 807 continues the provision that prohibits the use of Federal funds in this act to distribute, for the purpose of preventing the spread of blood borne pathogens, sterile needles or syringes in any location that has been determined by local public health officials or local law enforcement authorities to be inappropriate for such distribution.

Section 808 continues the provision that includes a “conscience clause” on legislation that pertains to contraceptive coverage by health insurance plans.

Section 809 continues the provision that prohibits the use of funds to legalize or reduce penalties associated with any schedule I substance under the Controlled Substances Act.

Section 810 continues the provision that prohibits the use of funds for abortion, with certain exceptions.

Section 811 continues the provision requiring the CFO to submit a revised operating budget for agencies the CFO certifies as requiring a reallocation to address unanticipated program needs.

Section 812 continues the provision requiring the CFO to submit a revised appropriated funds budget for the District of Columbia Schools that aligns the schools' budgets to actual enrollment.

Section 813 continues the provision authorizing the transfer of local funds between operating funds and capital and enterprise funds.

Section 814 continues the provision prohibiting obligations beyond the current fiscal year and prohibits transfers of funds unless expressly provided.

Section 815 continues the provision that ensures that 50 percent of unobligated balances may remain available for certain purposes.

Section 816 continues a provision that appropriates local funds during fiscal year 2019 if there is an absence of a continuing resolution or regular appropriation for the District of Columbia. Funds are provided under the same authorities and conditions and in the same manner and extent as provided for fiscal year 2018.

Section 817 continues the provision which limits references to "this act" in this title or title IV as referring to only this title and title IV.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI OF THE  
STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill “which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.”

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

Items providing funding for fiscal year 2019 which lack authorization are as follows:

*Department of the Treasury*

- Departmental Offices
- Department-wide Systems and Capital Investments
- Office of the Inspector General
- Inspector General for Tax Administration
- Financial Crimes Enforcement Network
- Fiscal Service
- Alcohol and Tobacco Tax and Trade Bureau
- Community Development Financial Institutions Fund
- Internal Revenue Service:
  - Taxpayer Services
  - Enforcement
  - Operations Support
  - Business Systems Modernization

*Executive Office of the President*

- Office of Management and Budget
- Office of National Drug Control Policy

*District of Columbia*

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

*Independent Agencies*

- Administrative Conference of the United States
- Commodity Futures Trading Commission
- Election Assistance Commission
- Federal Communications Commission
- Federal Election Commission
- Federal Trade Commission
- General Services Administration:
  - Federal Buildings Fund <sup>1</sup>
- Merit Systems Protection Board

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

National Archives and Records Administration, National Historical Publications and Records Commission  
 National Credit Union Administration: Community Development Revolving Loan Fund  
 Office of Government Ethics  
 Office of Special Counsel

COMPLIANCE WITH PARAGRAPH 7(c), RULE XXVI OF THE  
 STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, on June 21, 2018, the Committee ordered favorably reported an original bill (S. 3107) making appropriations for financial services and general government for the fiscal year ending September 30, 2019, and for other purposes, provided that the bill be subject to amendment and that the bill be consistent with its budget allocation, and provided that the Chairman of the Committee or his designee be authorized to offer the substance of the original bill as a Committee amendment in the nature of a substitute to the House companion measure, by a recorded vote of 31–0, a quorum being present. The vote was as follows:

Yeas	Nays
Chairman Shelby	
Mr. McConnell	
Mr. Alexander	
Ms. Collins	
Ms. Murkowski	
Mr. Graham	
Mr. Blunt	
Mr. Moran	
Mr. Hoeven	
Mr. Boozman	
Mrs. Capito	
Mr. Lankford	
Mr. Daines	
Mr. Kennedy	
Mr. Rubio	
Mrs. Hyde-Smith	
Mr. Leahy	
Mrs. Murray	
Mrs. Feinstein	
Mr. Durbin	
Mr. Reed	
Mr. Tester	
Mr. Udall	
Mrs. Shaheen	
Mr. Merkley	
Mr. Coons	
Mr. Schatz	
Ms. Baldwin	
Mr. Murphy	
Mr. Manchin	
Mr. Van Hollen	



COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE  
STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the Committee.”

In compliance with this rule, changes in existing law proposed to be made by the bill are shown as follows: existing law to be omitted is enclosed in black brackets; new matter is printed in italic; and existing law in which no change is proposed is shown in roman.

**JUDICIAL IMPROVEMENTS ACT OF 1990,  
PUBLIC LAW 101-650**

**SEC. 203. APPOINTMENT AND NUMBER OF DISTRICT JUDGES.**

(a) IN GENERAL.—\* \* \*

\* \* \* \* \*

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

(1) 1 additional district judge for the eastern district of California;

\* \* \* \* \*

(12) 1 additional district judge for the eastern district of Virginia.

Except with respect to the district of Kansas, the western district of Michigan, the eastern district of Pennsylvania, the district of Hawaii, and the northern district of Ohio, the first vacancy in the office of district judge in each of the judicial districts named in this subsection, occurring 10 years or more after the confirmation date of the judge named to fill the temporary judgeship created by this subsection, shall not be filled. The first vacancy in the office of district judge in the district of Kansas occurring [27 years and 6 months] *28 years and 6 months* or more after the confirmation date of the judge named to fill the temporary judgeship created for such district under this subsection, shall not be filled. The first vacancy in the office of district judge in the western district of Michigan, occurring after December 1, 1995, shall not be filled. The first vacancy in the office of district judge in the eastern district of Pennsylvania, occurring 5 years or more after the confirmation date of the judge named to fill the temporary judgeship created for such district under this subsection, shall not be filled. The first vacancy in the office of district judge in the northern district of Ohio occurring 19 years or more after the confirmation date of the judge named to fill the temporary judgeship created under this subsection shall not be filled. The first vacancy in the office of the district judge in the district of Hawaii occurring [24 years and 6

months] *25 years and 6 months* or more after the confirmation date of the judge named to fill the temporary judgeship created under this subsection shall not be filled. For districts named in this subsection for which multiple judgeships are created by this Act, the last of those judgeships filled shall be the judgeships created under this section.

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

**SEC. 312. ADDITIONAL FEDERAL JUDGESHIPS.**

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

\* \* \* \* \*

(c) TEMPORARY JUDGESHIPS.—

(1) IN GENERAL.\* \* \*

\* \* \* \* \*

(2) VACANCIES NOT FILLED.—The first vacancy in the office of district judge in each of the offices of district judge authorized by this subsection, except in the case of the central district of California and the western district of North Carolina, occurring [16 years] *17 years* or more after the confirmation date of the judge named to fill the temporary district judgeship created in the applicable district by this subsection, shall not be filled. The first vacancy in the office of district judge in the central district of California occurring [15 years and 6 months] *16 years and 6 months* or more after the confirmation date of the judge named to fill the temporary district judgeship created in that district by this subsection, shall not be filled. The first vacancy in the office of district judge in the western district of North Carolina occurring [14 years] *15 years* or more after the confirmation date of the judge named to fill the temporary district judgeship created in that district by this subsection, shall not be filled.

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**TRANSPORTATION, TREASURY, HOUSING AND URBAN DEVELOPMENT, THE JUDICIARY, THE DISTRICT OF COLUMBIA, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 2006, PUBLIC LAW 109-115**

TITLE IV

THE JUDICIARY

ADMINISTRATIVE PROVISIONS—THE JUDICIARY

SEC. 406. The existing judgeship for the eastern district of Missouri authorized by section 203(c) of the Judicial Improvements Act of 1990 (Public Law 101-650, 104 Stat. 5089) as amended by Public Law 105-53, as of the effective date of this Act, shall be extended. The first vacancy in the office of district judge in this district occurring [25 years and 6 months] *26 years and 6 months* or more after the confirmation date of the judge named to fill the temporary judgeship created by section 203(c) shall not be filled.

## BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC.  
308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount in bill	Committee allocation	Amount in bill
Comparison of amounts in the bill with the subcommittee allocation for 2019: Subcommittee on Financial Services and General Government:				
Mandatory .....	22,406	22,406	22,398	<sup>1</sup> 22,398
Discretionary .....	23,688	23,688	23,201	<sup>1</sup> 23,138
Security .....	31	31	NA	NA
Nonsecurity .....	23,657	23,657	NA	NA
Projection of outlays associated with the recommendation:				
2019 .....				<sup>2</sup> 39,212
2020 .....				4,229
2021 .....				1,056
2022 .....				699
2023 and future years .....				521
Financial assistance to State and local governments for 2019 .....	NA	679	NA	<sup>2</sup> 180

<sup>1</sup>Includes outlays from prior-year budget authority.

<sup>2</sup>Excludes outlays from prior-year budget authority.

NA: Not applicable.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2018 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2019  
 [In thousands of dollars]

Item	2018 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2019 appropriation	Budget estimate
TITLE I—DEPARTMENT OF THE TREASURY					
Departmental Offices					
Salaries and expenses .....	201,751	201,751	208,751	+ 7,000	+ 7,000
Office of Terrorism and Financial Intelligence .....	141,778	159,000	159,000	+ 17,222	.....
Cybersecurity Enhancement Account .....	24,000	25,208	25,208	+ 1,208	.....
Department-wide Systems and Capital Investments Programs .....	4,426	4,000	4,000	- 426	.....
Office of Inspector General .....	37,044	36,000	37,044	.....	+ 1,044
Treasury Inspector General for Tax Administration .....	169,634	161,113	169,634	.....	+ 8,521
Special Inspector General for TARP .....	34,000	17,500	17,500	- 16,500	.....
Financial Crimes Enforcement Network .....	115,003	117,800	117,800	+ 2,797	.....
Subtotal, Departmental Offices .....	727,636	722,372	738,937	+ 11,301	+ 16,565
Treasury Forfeiture Fund (reissuance) .....	- 702,000	.....	.....	+ 702,000	.....
Total, Departmental Offices .....	25,636	722,372	738,937	+ 713,301	+ 16,565
Bureau of the Fiscal Service .....	338,280	330,837	338,280	.....	+ 7,443
Alcohol and Tobacco Tax and Trade Bureau .....	111,439	114,427	111,439	.....	- 2,988
Community Development Financial Institutions Fund Program Account .....	250,000	14,000	250,000	.....	+ 236,000
Total, Department of the Treasury, non-IRS .....	725,355	1,181,636	1,438,656	+ 713,301	+ 257,020
Internal Revenue Service					
Taxpayer Services .....	2,506,554	2,241,000	2,506,554	.....	+ 265,554
Enforcement .....	4,860,000	4,628,000	4,860,000	.....	+ 232,000
Program Integrity .....	.....	204,643	.....	.....	- 204,643
Subtotal .....	4,860,000	4,832,643	4,860,000	.....	+ 27,357

Operations Support .....	3,634,000	4,155,796	3,709,000	+ 75,000	- 446,796
Program integrity .....		156,928			- 156,928
Subtotal .....	3,634,000	4,312,724	3,709,000	+ 75,000	- 603,724
Business systems modernization .....	110,000	110,000	110,000		
General provision (sec. 113) .....	320,000		77,000	- 243,000	+ 77,000
Total, Internal Revenue Service .....	11,430,554	11,496,367	11,262,554	- 168,000	- 233,813
Total, title I, Department of the Treasury .....	12,155,909	12,678,003	12,701,210	+ 545,301	+ 23,207
Appropriations .....	(12,857,909)	(12,316,432)	(12,701,210)	( - 156,699)	( + 384,778)
Rescissions .....	( - 702,000)			( + 702,000)	
TITLE II—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT					
The White House					
Salaries and expenses .....	55,000	55,000	55,000		
Executive Residence at the White House:					
Operating expenses .....	12,917	13,081	13,081	+ 164	
White House repair and restoration .....	750	750	750		
Subtotal .....	13,667	13,831	13,831	+ 164	
Council of Economic Advisers .....	4,187	4,187	4,187		
National Security Council and Homeland Security Council .....	11,800	13,500	11,800		
Office of Administration .....	100,000	100,000	100,000		- 1,700
Total, The White House .....	184,654	186,518	184,818	+ 164	- 1,700
Office of Management and Budget .....	101,000	103,000	103,000	+ 2,000	
Office of National Drug Control Policy					
Salaries and expenses .....	18,400	17,400	18,400		+ 1,000
High Intensity Drug Trafficking Areas Program .....	280,000		280,000		+ 280,000
Other Federal Drug Control Programs .....	117,093	11,843	117,327	+ 234	+ 105,484
Total, Office of National Drug Control Policy .....	415,493	29,243	415,727	+ 234	+ 386,484

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2018 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
 FOR FISCAL YEAR 2019—Continued  
 [In thousands of dollars]

Item	2018 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2019 appropriation	Budget estimate
Unanticipated needs .....	798	1,000	1,000	+202	.....
Information Technology Oversight and Reform .....	19,000	25,000	19,000	.....	- 6,000
Special Assistance to the President and Official Residence of the Vice President:					
Salaries and expenses .....	4,288	4,288	4,288	.....	.....
Operating expenses .....	302	302	302	.....	.....
Subtotal .....	4,590	4,590	4,590	.....	.....
Total, title II, Executive Office of the President and Funds Appropriated to the President .....	725,535	349,351	728,135	+ 2,600	+ 378,784
TITLE III—THE JUDICIARY					
Supreme Court of the United States					
Salaries and expenses:					
Salaries of Justices .....	3,000	3,000	3,000	.....	.....
Other salaries and expenses .....	82,028	84,359	84,703	+ 2,675	+ 344
Subtotal .....	85,028	87,359	87,703	+ 2,675	+ 344
Care of the Building and Grounds .....	16,153	15,999	15,999	- 154	.....
Total, Supreme Court of the United States .....	101,181	103,358	103,702	+ 2,521	+ 344
United States Court of Appeals for the Federal Circuit					
Salaries and expenses:					
Salaries of judges .....	3,000	4,000	4,000	+ 1,000	.....
Other salaries and expenses .....	31,291	31,274	32,016	+ 725	+ 742
Total, United States Court of Appeals for the Federal Circuit .....	34,291	35,274	36,016	+ 1,725	+ 742

United States Court of International Trade									
Salaries and expenses:									
Salaries of judges	1,000	2,000	2,000						1,000
Other salaries and expenses	18,889	19,070	19,450						+561
Total, U.S. Court of International Trade	19,889	21,070	21,450						+380
Courts of Appeals, District Courts, and Other Judicial Services									
Salaries and expenses:									
Salaries of judges and bankruptcy judges	435,000	429,000	429,000						-6,000
Other salaries and expenses	5,099,061	5,132,543	5,154,461						+55,400
Subtotal	5,534,061	5,561,543	5,583,461						+49,400
Vaccine Injury Compensation Trust Fund	8,230	8,475	8,475						+245
Defender services	1,078,713	1,141,489	1,140,846						+62,133
Fees of jurors and commissioners	50,944	51,233	49,750						-1,194
Court security	586,999	602,309	604,460						+17,461
Total, Courts of Appeals, District Courts, and Other Judicial Services	7,258,947	7,365,049	7,386,992						+128,045
Administrative Office of the United States Courts									
Salaries and expenses	90,423	89,867	92,413						+1,990
Federal Judicial Center									
Salaries and expenses	29,265	29,064	29,819						+755
United States Sentencing Commission									
Salaries and expenses	18,699	18,548	18,548						-151
Total, title III, the Judiciary	7,552,695	7,662,230	7,688,940						+136,245
TITLE IV—DISTRICT OF COLUMBIA									
Federal Payment for Resident Tuition Support	40,000		30,000						-10,000
Federal Payment for Emergency Planning and Security Costs in the District of Columbia	13,000	12,000	12,000						-1,000
Federal Payment to the District of Columbia Courts	265,400	244,939	244,939						-20,461
Federal Payment for Defender Services in District of Columbia Courts	49,890	46,005	46,005						-3,885
Federal Payment to the Court Services and Offender Supervision Agency for the District of Columbia	244,298	256,724	256,724						+12,426

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2018 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
 FOR FISCAL YEAR 2019—Continued  
 [In thousands of dollars]

Item	2018 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2019 appropriation	Budget estimate
Federal Payment to the District of Columbia Public Defender Service .....	41,829	45,858	45,858	+ 4,029	.....
Federal Payment to the Criminal Justice Coordinating Council .....	2,000	1,900	2,150	+ 150	+ 250
Federal Payment for Judicial Commissions .....	565	565	565	.....	.....
Federal Payment for School Improvement .....	45,000	45,000	52,500	+ 7,500	+ 7,500
Federal Payment for the D.C. National Guard .....	435	435	435	.....	.....
Federal Payment for Testing and Treatment of HIV/AIDS .....	5,000	5,000	2,000	- 3,000	- 3,000
Federal Payment to the District of Columbia Water and Sewer Authority .....	14,000	.....	10,000	- 4,000	+ 10,000
Total, Title IV, District of Columbia .....	721,417	658,426	703,176	- 18,241	+ 44,750
TITLE V—OTHER INDEPENDENT AGENCIES					
Administrative Conference of the United States .....	3,100	3,100	3,100	.....	.....
Commodity Futures Trading Commission .....	249,000	250,000	281,500	+ 32,500	+ 31,500
CFTC Fee Spending (legislative proposal) .....	.....	31,500	.....	.....	- 31,500
Consumer Product Safety Commission .....	126,000	123,450	126,000	.....	+ 2,550
Election Assistance Commission .....	10,100	9,200	9,200	- 900	.....
Election Reform Program .....	380,000	.....	.....	- 380,000	.....
Federal Communications Commission					
Salaries and expenses .....	322,035	333,118	333,118	+ 11,083	.....
Offsetting fee collections .....	- 322,035	- 333,118	- 333,118	- 11,083	.....
Direct appropriation .....	.....	.....	.....	.....	.....
General provision (sec. 511) .....	600,000	.....	.....	- 600,000	.....
Federal Deposit Insurance Corporation					
Office of Inspector General (by transfer) .....	(39,136)	(42,982)	(42,982)	(+ 3,846)	.....
Deposit Insurance Fund (transfer) .....	(- 39,136)	(- 42,982)	(- 42,982)	(- 3,846)	.....
Federal Election Commission .....	71,250	71,250	71,250	.....	.....



Federal Labor Relations Authority .....	26,200	26,200	26,200	.....	.....
Federal Trade Commission					
Salaries and expenses .....	306,317	309,700	309,700	+ 3,383	.....
Offsetting fee collections (mergers) .....	- 126,000	- 136,000	- 136,000	- 10,000	.....
Offsetting fee collections (telephone) .....	- 16,000	- 17,000	- 17,000	- 1,000	.....
Direct appropriation .....	164,317	156,700	156,700	- 7,617	.....
General Services Administration					
Federal Buildings Fund					
Limitations on availability of revenue:					
Construction and acquisition of facilities .....	692,069	1,338,387	1,080,068	+ 387,999	- 258,319
Repairs and alterations .....	666,335	909,746	890,419	+ 224,084	- 19,327
Rental of space .....	5,493,768	5,430,345	5,418,845	- 74,923	- 11,500
Building operations .....	2,221,766	2,253,195	2,244,118	+ 22,352	- 9,077
Installment acquisition payments .....	.....	200,000	.....	.....	- 200,000
Subtotal, Limitations on Availability of Revenue .....	9,073,938	10,131,673	9,633,450	+ 559,512	- 498,223
Rental income to fund .....	- 9,950,519	- 10,131,673	- 10,131,673	- 181,154	.....
Total, Federal Buildings Fund .....	- 876,581	.....	- 498,223	+ 378,358	- 498,223
Government-wide policy .....	53,499	65,835	58,499	+ 5,000	- 7,336
Operating expenses .....	45,645	49,440	49,440	+ 3,795	.....
Civilian Board of Contract Appeals .....	8,795	9,301	9,301	+ 506	.....
Office of Inspector General .....	65,000	67,000	67,000	+ 2,000	.....
Allowances and office staff for former Presidents .....	4,754	4,796	4,796	+ 42	.....
Federal Citizen Services Fund .....	50,000	58,400	55,000	+ 5,000	- 3,400
Technology Modernization Fund .....	100,000	210,000	.....	- 100,000	- 210,000
Asset Proceeds and Space Management Fund .....	5,000	31,000	15,500	+ 10,500	- 15,500
Environmental Review Improvement Fund .....	1,000	6,070	6,070	+ 5,070	.....
GSA—President's Management Council Workforce Fund .....	.....	50,000	.....	.....	- 50,000
Total, General Services Administration .....	- 542,888	551,842	- 232,617	+ 310,271	- 784,459
Harry S Truman Scholarship Foundation .....	1,000	.....	1,000	.....	+ 1,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2018 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
 FOR FISCAL YEAR 2019—Continued  
 [In thousands of dollars]

Item	2018 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2019 appropriation	Budget estimate
Merit Systems Protection Board					
Salaries and expenses .....	44,490	42,145	44,490		+ 2,345
Limitation on administrative expenses .....	2,345	2,345	2,345		
Total, Merit Systems Protection Board .....	46,835	44,490	46,835		+ 2,345
Morris K. Udall and Stewart L. Udall Foundation					
Morris K. Udall and Stewart L. Udall Trust Fund .....	1,975	1,875	1,875	-100	
Environmental Dispute Resolution Fund .....	3,366	3,200	3,200	-166	
Total, Morris K. Udall and Stewart L. Udall Foundation .....	5,341	5,075	5,075	-266	
National Archives and Records Administration					
Operating expenses .....	384,911	365,105	375,105	- 9,806	+ 10,000
Reduction of debt .....	- 25,050	- 27,224	- 27,224	- 2,174	
Subtotal .....	359,861	337,881	347,881	- 11,980	+ 10,000
Office of Inspector General .....	4,801	4,241	4,801		+ 560
Repairs and restoration .....	7,500	7,500	7,500		
National Historical Publications and Records Commission Grants Program .....	6,000		6,000		+ 6,000
Total, National Archives and Records Administration .....	378,162	349,622	366,182	- 11,980	+ 16,560
NCUA Community Development Revolving Loan Fund					
Office of Government Ethics .....	2,000		2,000		+ 2,000
Office of Personnel Management .....	16,439	16,294	16,439		+ 145
Salaries and expenses .....	129,341	132,172	132,172	+ 2,831	

Limitation on administrative expenses .....	131,414	133,483	133,483	+ 2,069	.....
Subtotal, Salaries and expenses .....	260,755	265,655	265,655	+ 4,900	.....
Office of Inspector General .....	5,000	5,000	5,000		.....
Limitation on administrative expenses .....	25,000	25,265	25,265	+ 265	.....
Subtotal, Office of Inspector General .....	30,000	30,265	30,265	+ 265	.....
Total, Office of Personnel Management .....	290,755	295,920	295,920	+ 5,165	.....
Office of Special Counsel .....	26,535	26,252	26,535		+ 283
Postal Regulatory Commission .....	15,200	15,100	15,200		+ 100
Privacy and Civil Liberties Oversight Board .....	8,000	5,000	5,000	- 3,000	.....
Public Buildings Reform Board .....	5,000	2,000		- 5,000	- 2,000
Securities and Exchange Commission .....					
Salaries and expenses .....	1,652,000	1,658,302	1,658,302	+ 6,302	.....
SEC NYC Regional Office .....		40,750	37,189	+ 37,189	- 3,561
Headquarters lease .....	244,507			- 244,507	.....
Subtotal, Securities and Exchange Commission .....	1,896,507	1,699,052	1,695,491	- 201,016	- 3,561
SEC fees .....		- 1,699,050	- 1,695,491	+ 201,016	+ 3,559
SEC Reserve Fund (rescission) .....		- 25,000			+ 25,000
Selective Service System .....	22,900	26,400	26,000	+ 3,100	- 400
Small Business Administration .....					
Salaries and expenses .....	268,500	265,000	267,500	- 1,000	+ 2,500
Entrepreneurial Development Programs .....	247,100	192,450	241,600	- 5,500	+ 49,150
Office of Inspector General .....	19,900	21,900	21,900	+ 2,000	.....
Office of Advocacy .....	9,120	9,120	9,120		.....
Business Loans Program Account:					
Direct loans subsidy .....	3,438	4,000	4,000	+ 562	.....
Guaranteed loan subsidy .....		- 155,150			+ 155,150
Administrative expenses .....	152,782	155,150	155,150	+ 2,368	.....
Total, Business loans program account .....	156,220	4,000	159,150	+ 2,930	+ 155,150

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2018 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2019—Continued  
[In thousands of dollars]

Item	2018 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2019 appropriation	Budget estimate
Disaster Loans Program Account:					
Administrative expenses		186,458			- 186,458
Total, Small Business Administration	700,840	678,928	699,270	- 1,570	+ 20,342
United States Postal Service					
Payment to the Postal Service Fund	58,118	55,235	55,235	- 2,883	
Office of Inspector General	245,000	234,650	250,000	+ 5,000	+ 15,350
Total, United States Postal Service	303,118	289,885	305,235	+ 2,117	+ 15,350
United States Tax Court	50,740	55,563	51,515	+ 775	- 4,048
Total, title V, Independent Agencies	2,959,944	3,008,773	2,303,539	- 656,405	- 705,234
Appropriations	(2,959,944)	(3,033,773)	(2,303,539)	( - 656,405)	( - 730,234)
Rescissions		( - 25,000)			( + 25,000)
(By transfer)	(39,136)	(42,982)	(42,982)	( + 3,846)	
TITLE VI—GENERAL PROVISIONS					
Mandatory appropriations (sec. 619)	21,800,000	21,818,000	21,818,000	+ 18,000	
PCA Oversight Board scholarships (sec. 620)	1,000		1,000		+ 1,000
SBA 503 Unobligated balances (sec. 620)	- 2,600	- 50,000		+ 2,600	+ 50,000
Government-wide transfers (sec. 737)		3,000,000			- 3,000,000
Total, title VI, General Provisions	21,798,400	24,768,000	21,819,000	+ 20,600	- 2,949,000

OTHER APPROPRIATIONS						
SUPPLEMENTAL APPROPRIATIONS FOR DISASTER RELIEF REQUIREMENTS (P.L. 115-56)						
SBA, Disaster Loans Program Account	450,000					-450,000
Total, Supplemental Appropriations for Disaster Relief Requirements (P.L. 115-56)	450,000					-450,000
BIPARTISAN BUDGET ACT OF 2018 (P.L. 115-123)						
GSA, Federal Buildings Fund (emergency)	126,951					-126,951
SBA, Office of Inspector General (emergency)	7,000					-7,000
SBA, Disaster Loans Program Account (emergency)	1,652,000					-1,652,000
Total, Bipartisan Budget Act of 2018 (P.L. 115-123)	1,785,951					-1,785,951
Total, Other Appropriations (Emergency)	2,235,951					-2,235,951
Grand total	48,149,851	49,124,783	45,944,000			-3,180,783
Appropriations	(46,618,500)	(48,838,212)	(45,944,000)			(-2,894,212)
Rescissions	(-704,600)	(-75,000)				(+704,600)
Emergency	(2,235,951)					(-2,235,951)
(By transfer)	(39,136)	(42,982)	(42,982)			(+3,846)