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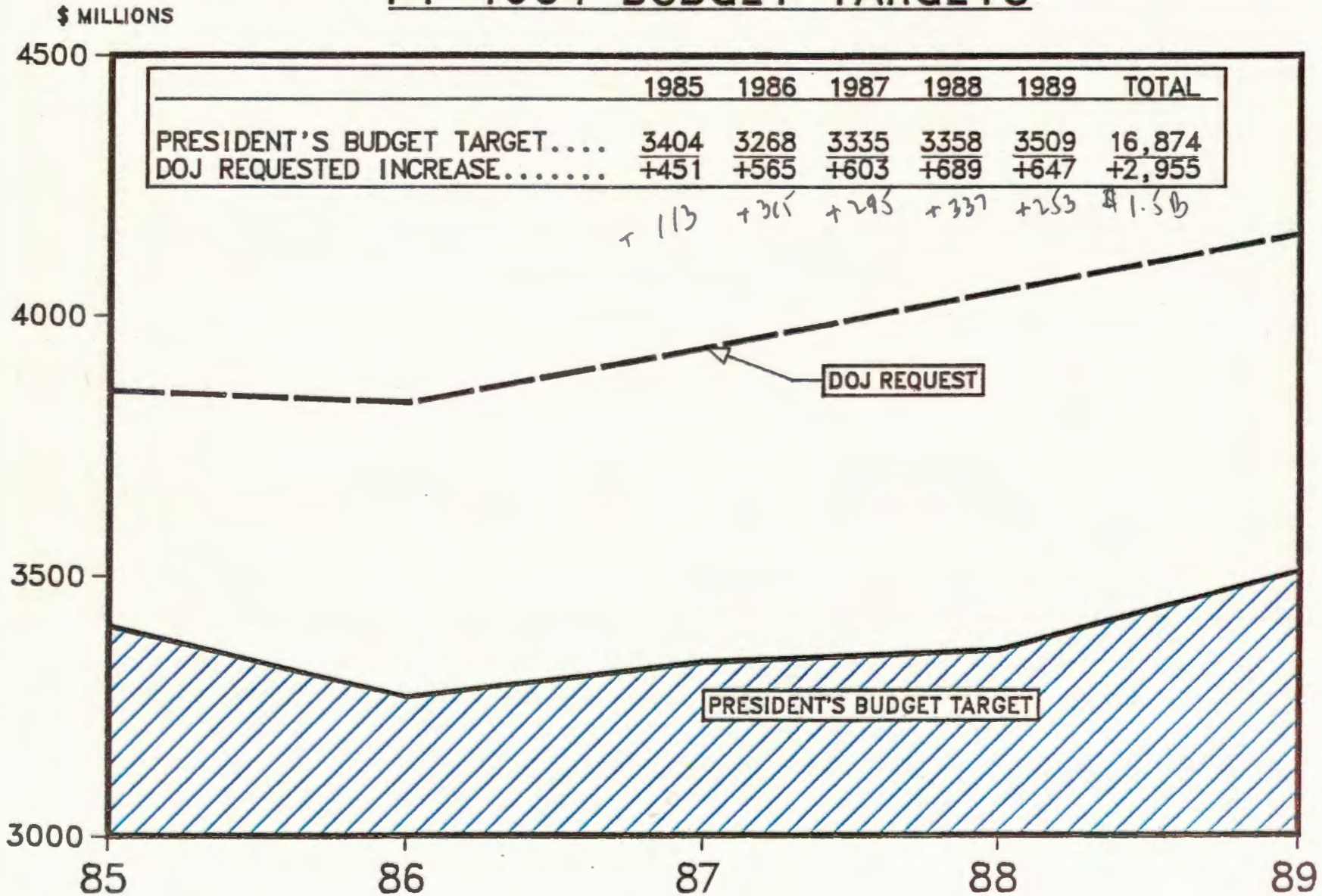
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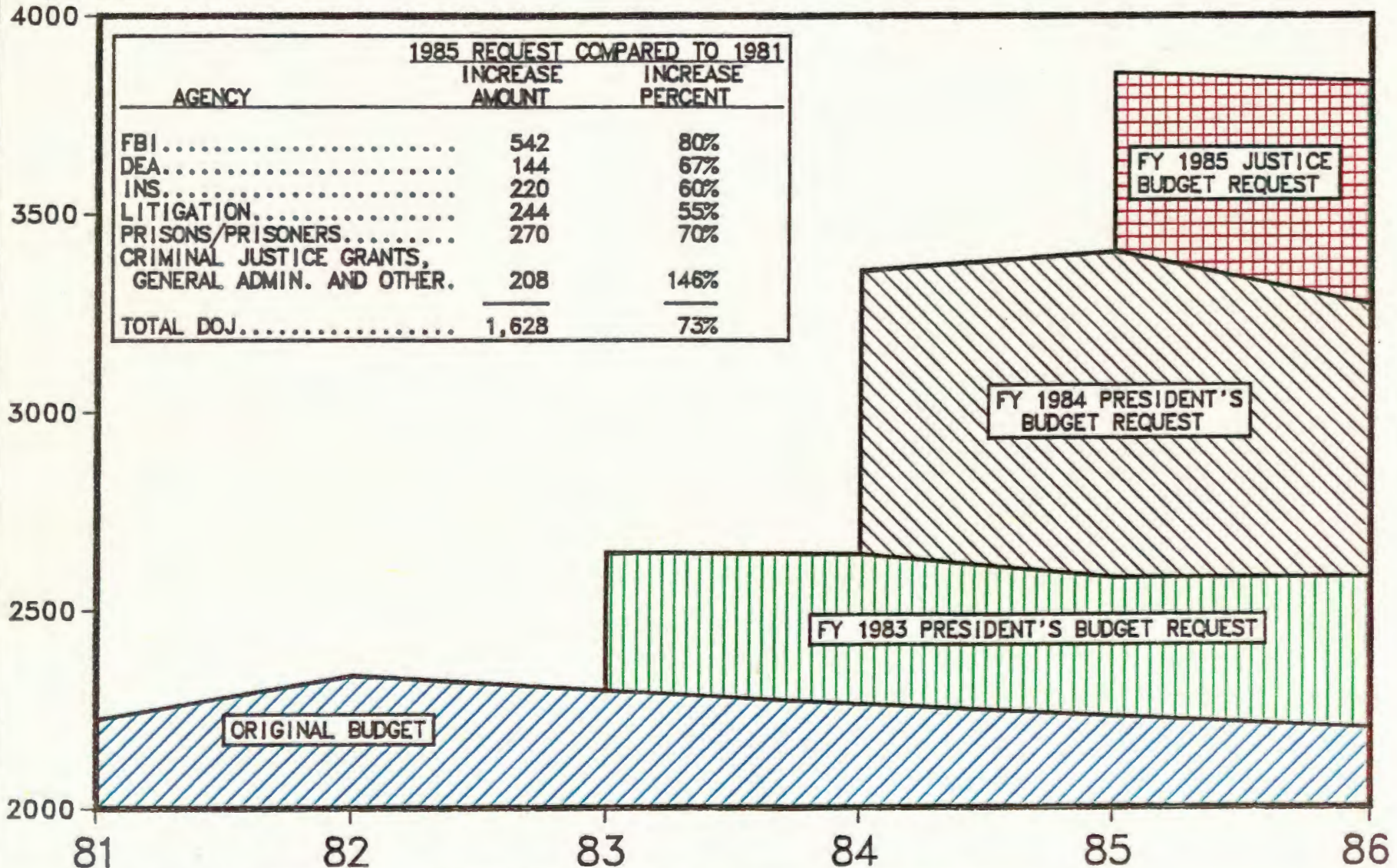
JUSTICE

# JUSTICE DEPARTMENT REQUEST VS. PRESIDENT'S FY 1984 BUDGET TARGETS



**AS HIGH PRIORITY ACTIVITY - DOJ\* HAS BEEN  
LARGELY EXEMPT FROM BUDGET RESTRAINT -  
1985 REQUEST UP 73% VS. 1981**

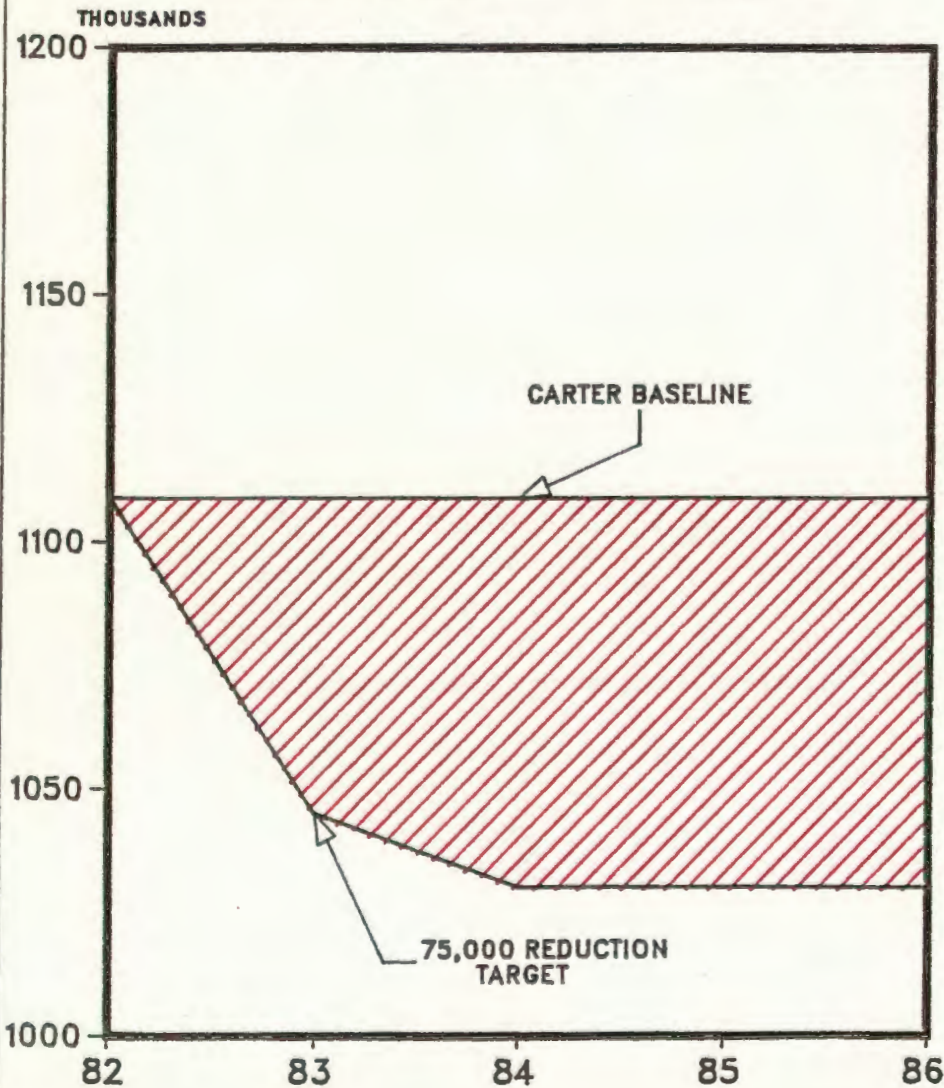
\$ MILLIONS



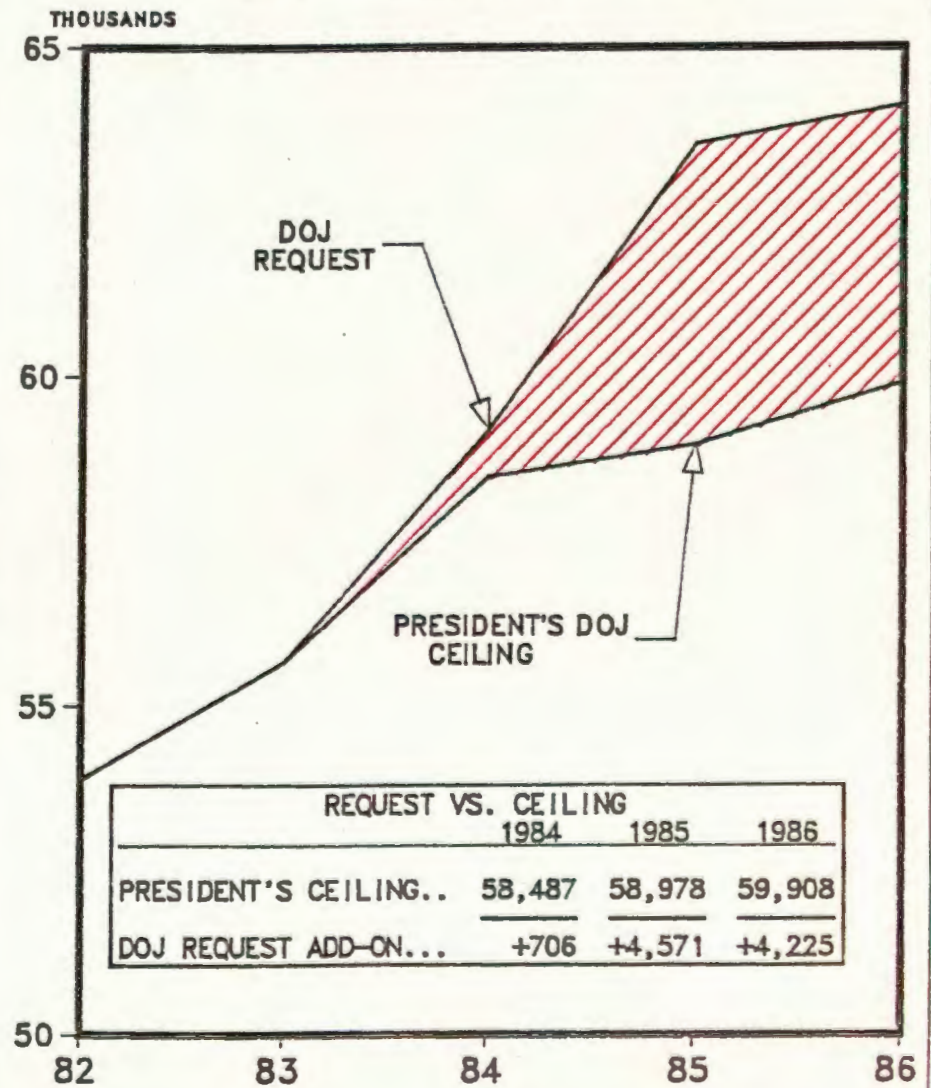
\* EXCLUDES JUVENILE JUSTICE GRANTS WHICH HAVE BEEN PROPOSED FOR TERMINATION

# PRESIDENT'S PERSONNEL REDUCTION TARGET ACCOMMODATES DOJ INCREASES BUT NOT IN MAGNITUDE REQUESTED

NON-DOJ CIVILIAN FTE EXCLUDING DOJ



DOJ FTE CEILING VS. REQUEST



DISCUSSION OF BUDGET ISSUES

I. What the President's FY 1984 Targets Provide:

- FBI..... Provides 12 percent growth in FBI staff over 1982 level with major increases in organized crime and foreign counterintelligence programs. Provides 45 percent budget (BA) growth over 1982 level and 7 percent budget (BA) growth over 1984. Funding provides continued modernization of FBI's operations for field management information system, audio collection equipment, and R&D to develop better technology.
- DEA..... Provides 13 percent growth in DEA staff over 1982 level. Provides 35 percent budget (BA) growth over 1982 level and 15 percent budget (BA) growth over 1984. Provides more automation improvements, more staff to combat illegal drug use, and staff to analyze new information from military and intelligence community.
- INS..... Maintains 11 percent growth in enforcement staff. Provides 7 percent growth over 1984 for processing applications for citizenship and other change of status. Does not anticipate legislation. Reduces overhead in line with Grace Commission and COMA recommendations. Overall, provides 15 percent budget (BA) growth over 1982 level and 40 percent over 1981 BA.
- Litigation..... Permits 35 percent budget (BA) increase and 12 percent growth in litigative staff over 1982. Includes resources for more prosecutions in organized crime and drug enforcement, torts, and commercial litigation.
- Prisons/Prisoner Support..... Provides 7 percent increase over 1982 staff levels and 34 percent increase over 1982 budget (BA). Includes planning funds for new prison in Southeast, new correctional officers and funding to open all new facilities on schedule. Allows funds for local jail renovation.
- Criminal Justice Grants/General Administration..... Provides 124 percent growth in Justice assistance programs over 1982, excluding Juvenile Justice. This includes 23 percent increase in Justice statistical and research programs and a new Criminal Justice Assistance Program (\$67M in 1984). Also, provides 45 percent increase over 1982 budget (BA) and 28 percent increase over 1982 staff in General Administration account.

II. Additional Program Activities with DOJ Request (BA in millions of \$)

FBI/DEA..... Provides 501 more law enforcement agents and 1,016 more support staff. Includes resources to buy more cars and helicopters, to quicken pace of automation, to build a dormitory at FBI Academy, to hire more radio technicians and drug chemists, to increase number of FBI agents working on white collar crime and apprehending fugitives, and to start another (13th) organized crime drug enforcement task force.

1984 Enacted Budget \$1,333

<u>Additional Cost:</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>Total</u>
President's Budget Target.....	<u>\$1,451</u>	<u>\$1,487</u>	<u>\$1,531</u>	<u>\$1,565</u>	<u>\$1,586</u>	<u>\$7,620</u>
DOJ Add-on.....	+124	+120	+121	+122	+123	+610

<u>FTE Impact:</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
Current ceiling.....	<u>24,752</u>	<u>24,831</u>	<u>25,050</u>
DOJ Add-on.....	+138	+1,517	+1,743

INS..... Provides 24 percent addition of enforcement staff on top of 1981-84 growth of 11 percent. Does not require reductions associated with field staff consolidation and less overhead. Overall, provides 31 percent growth in BA over 1982, and 60 percent growth over 1981.

1984 Enacted Budget \$501

<u>Additional Cost:</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>Total</u>
President's Budget Target.....	<u>\$511</u>	<u>\$520</u>	<u>\$530</u>	<u>\$539</u>	<u>\$549</u>	<u>\$2,649</u>
DOJ Add-on.....	+76	+74	+78	+80	+81	+391

<u>FTE Impact:</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
Current ceiling.....	<u>10,711</u>	<u>10,437</u>	<u>10,437</u>
DOJ Add-on.....	+428	+2,140	+2,212

Litigation..... Provides more non-attorney staff and funds for another (13th) organized crime drug task force. Includes resources for bankruptcy trustees, more attorney and support staff for general civil and criminal litigation. Overall, provides additional 5 percent in BA and 6 percent in staff over 1985 ceiling.

1984 Enacted Budget \$574

<u>Additional Cost:</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>Total</u>
President's Budget Target.....	<u>\$655</u>	<u>\$667</u>	<u>\$678</u>	<u>\$689</u>	<u>\$700</u>	<u>\$3,389</u>
DOJ Add-on.....	+32	+32	+33	+32	+33	+162

<u>FTE Impact:</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>
Current ceiling.....	<u>10,848</u>	<u>11,079</u>	<u>11,123</u>
DOJ Add-on.....	+220	+685	+834

Prisons/Prisoner Support..... Provides 5 percent increase over 1985 allowance for site and planning funds for a new prison in the western region, more correctional officers, additional local jail days, and more funding for local jail renovation.

1984 Enacted Budget \$536

<u>Additional Cost:</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>Total</u>
President's Budget Target.....	<u>\$624</u>	<u>\$619</u>	<u>\$645</u>	<u>\$639</u>	<u>\$660</u>	<u>\$3,187</u>
DOJ Add-on.....	+31	+61	+29	+38	+39	+198
<u>FTE Impact:</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>			
Current ceiling.....	<u>10,148</u>	<u>10,462</u>	<u>11,254</u>			
DOJ Add-on.....	+0	+130	+164			

General Administration and Other.. Provides new Justice Data Telecommunications Network, upgrades all major administrative ADP systems, provides further 10 percent increase in general administration staff.

1984 Enacted Budget \$142

<u>Additional Cost:</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>Total</u>
President's Budget Target.....	<u>+146</u>	<u>+150</u>	<u>+153</u>	<u>+157</u>	<u>+161</u>	<u>+767</u>
DOJ Add-on.....	+40	+12	+13	+13	+13	+91
<u>FTE Impact:</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>			
Current ceiling.....	<u>1,771</u>	<u>1,779</u>	<u>1,779</u>			
DOJ Add-on.....	+37	+193	+221			

Criminal Justice Grants..... Provides an additional 54 percent increase on top of 124 percent growth since 1982 allowed in President's Target. Included in increase is additional \$28M for Criminal Justice Assistance Program.

1984 Enacted Budget \$197

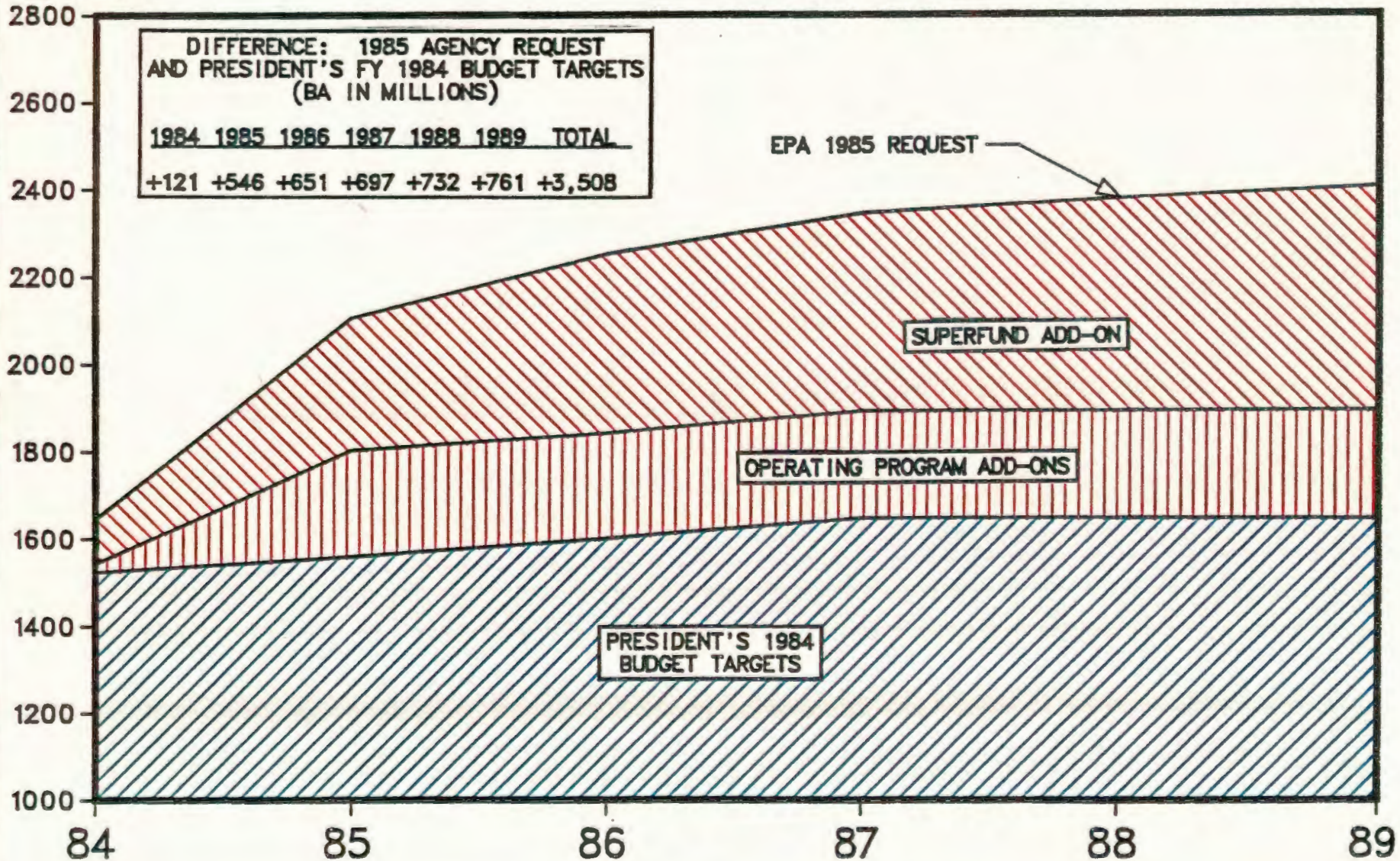
<u>Additional Cost:</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>Total</u>
President's Budget Target.....	<u>\$134</u>	<u>\$133</u>	<u>\$134</u>	<u>\$136</u>	<u>\$138</u>	<u>\$675</u>
DOJ Add-on.....	+32	+32	+33	+33	+33	+163
<u>FTE Impact:</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>			
Current ceiling.....	<u>268</u>	<u>285</u>	<u>265</u>			
DOJ Add-on.....	0	+11	+13			



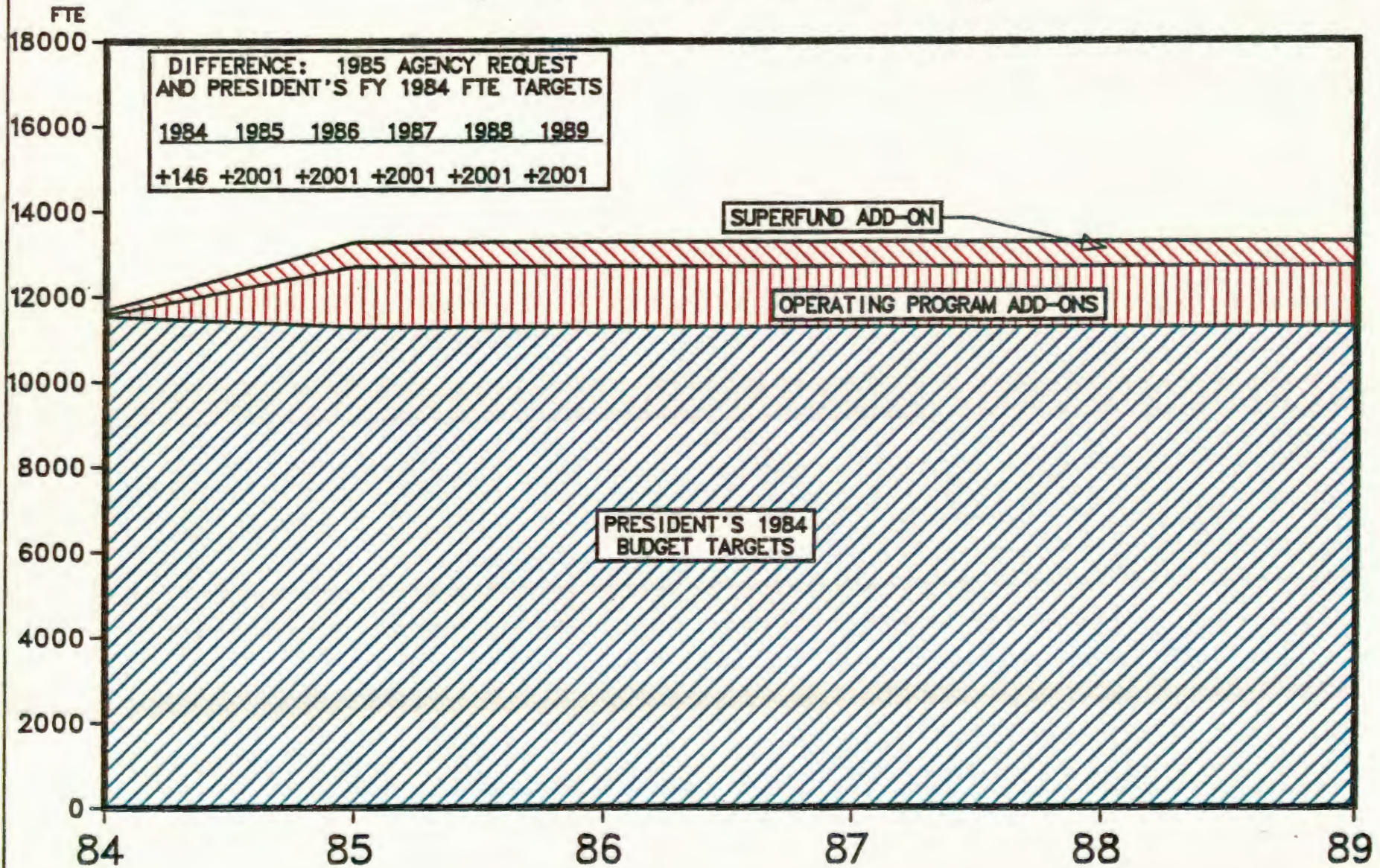
EPA

# EPA REQUEST VS. PRESIDENT'S TARGETS

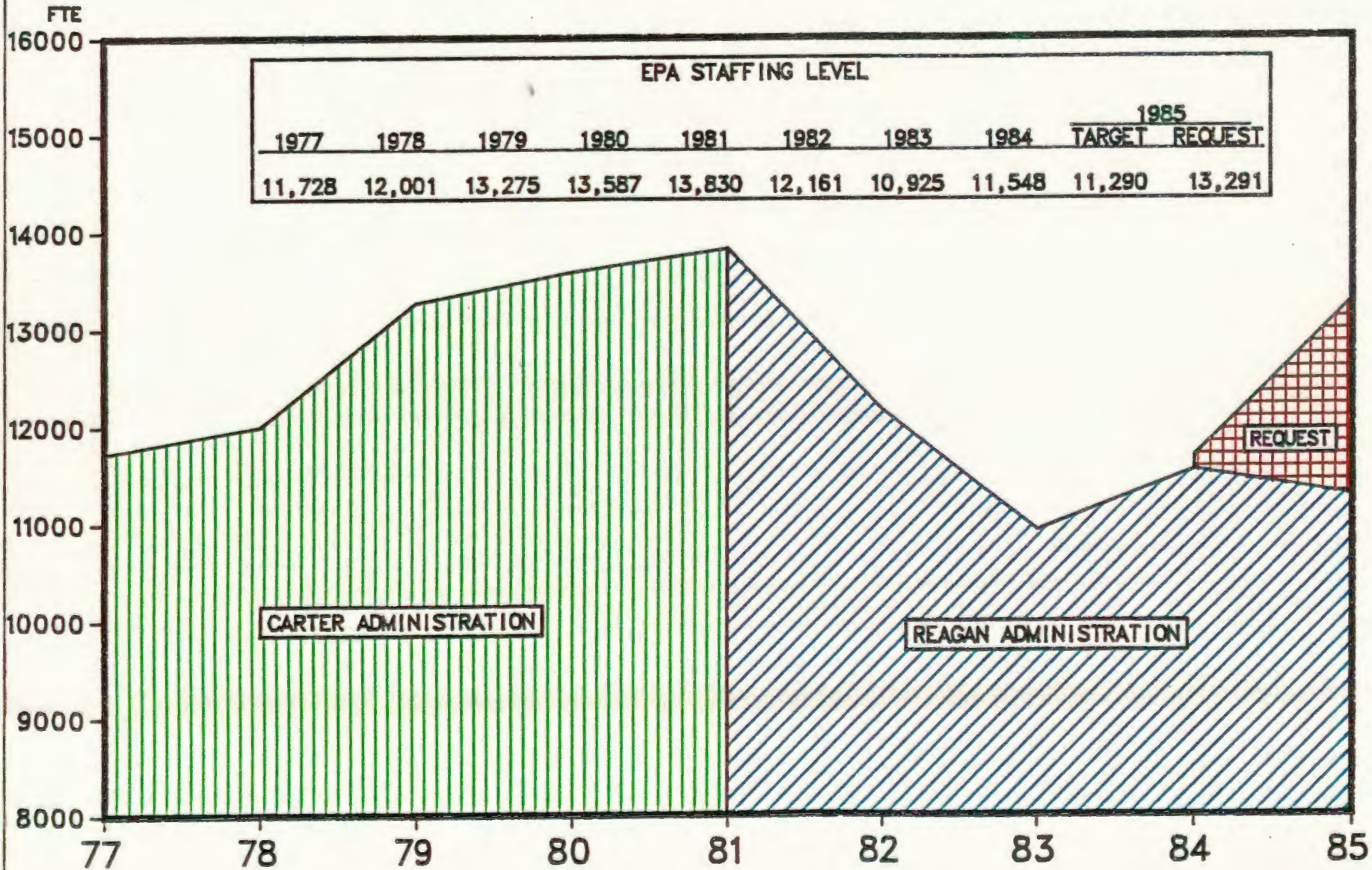
\$ MILLIONS



# EPA REQUEST VS. PRESIDENT'S TARGETS (FTE - STAFFING LEVEL)



# EPA STAFFING LEVEL -- HISTORICAL PERSPECTIVE



The President's 1985 Budget Target for EPA  
 (All Amounts Exclude Constant \$2.4B for Sewage Treatment Grants)

Evolution of 1985 Budget Target

<u>Budget Version</u>	<u>1985 Targets</u>	
	<u>BA in millions</u>	<u>FTE</u>
o Carter Administration's FY 1981 Budget.....	\$2,056	14,450
o President's FY 1983 Budget.....	\$1,336	10,397
o President's FY 1984 Budget (current ceiling)..	\$1,525	11,548
o EPA'S FY 1985 request.....	\$2,107	13,291

Multi-Year Add-on to President's FY 1984 Targets for FY 1985-89

	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>Total</u>
	<u>Actual</u>							<u>1985-89</u>
● President's FY 1984 targets								
\$M	1250	1525	1561	1602	1649	1647	1645	8104
(FTE)	(10925)	(11548)	(11290)	(11290)	(11290)	(11290)	(11290)	
● Add-on for Superfund								
\$M	--	+102	+303	+410	+453	+486	+513	+2165
(FTE)	--	(+112)	(+584)	(+584)	(+584)	(+584)	(+584)	
● Add-on for Operating Program including regulations, Research and Development, enforcement activities, and administrative expenses.								
\$M	--	+19	+243	+241	+244	+246	+248	+1222
(FTE)	--	(+34)	(+1417)	(+1417)	(+1417)	(+1417)	(+1417)	
o Total Add-ons in EPA request								
\$M	--	+121	+546	+651	+697	+732	+761	+3387
(FTE)	--	(+146)	(+2001)	(+2001)	(+2001)	(+2001)	(+2001)	

POLICY ISSUES IN AGENCY REQUEST

1. Superfund: EPA's request reflects a fundamentally different approach than that in the President's target.
  - o The request assumes maximum feasible activity level through 1989, financed by a tax rate increase enacted in 1984 (+170%)
  - o The President's target provides for an activity level consistent with receipts to the Fund from an extension at the current tax rate--at least until more program experience can be obtained and better estimates of future program needs can be made.
  
2. Operating Programs: The EPA request would reverse all policy reductions made since the March 1981 Budget, restoring funding and personnel to peak Agency levels contained in the Carter 1981 Budget.
  - o The request would augment regulatory programs and state grants; add manpower to Federal enforcement efforts and initiate research into potential future problems, such as Indoor Air Pollution.
  - o The President's target level for 1985 would allow for increases in high visibility programs such as Acid Rain and enforcement, offset by management and overhead costs. Most policy reductions initiated since 1981 are maintained.

Composition of EPA Add-on to President's FY 1984 Budget Targets

1) Superfund

		<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>Total</u>
o President's 1984 budget target								
	\$M	410	450	500	550	550	550	3,010
	FTE	1007	1023	1023	1023	1023	1023	
o EPA 1985 request add-on								
	\$M	+102	+303	+410	+453	+486	+513	+2,267
	FTE	+112	+584	+584	+584	+584	+584	

What existing ceiling funds:

- o Increase over 1984 provides for maximum activity level consistent with the reauthorization of Superfund in 1985 at the current tax rate.
- o Full funding of emergency response capabilities and EPA's enforcement effort.
- o Feasibility studies at 85 waste sites and construction starts at 30 sites in 1985; 117 feasibility studies and 5 construction starts took place in 1983.

What EPA Add-ons buy:

- o A maximum feasible activity level. Assumes reauthorization and a 170% increase in tax rate enacted in 1984.
- o Feasibility studies at up to 85 additional waste sites and construction starts up to 20 additional sites in 1985.
- o Additional research, enforcement, and management to support a geometrically growing cleanup program.

2) Environmental State Grants

	(Dollars in millions)						<u>Total</u>
	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	
o President's 1984 budget target	235	220	220	220	220	220	1335
o EPA 1985 request add-on	+2	+35	+35	+35	+35	+35	+177

What existing ceiling funds:

- o Pays 40-60% of ongoing state environmental regulation in response to Federal Air, Water, Hazardous Waste, Underground Injection Control (UIC) and Pesticides statutes.
- o Represents the highest appropriated level for most recurring state grants since grants were initiated.
- o Reduction from 1984 deletes separate appropriation for State water pollution control activities that are also funded under the \$2.4B wastetreatment grant program.

What the EPA Add-ons buy:

- o 5% inflation allowance over 1984 enacted levels (+\$9M).
- o Initiatives in air, hazardous waste and UIC (+\$10M; +\$2M in 1984).
  - Prepares states for acid rain control program.
  - Accelerated issuance of permits in hazardous waste and UIC programs.
- o Avoids reductions of appropriated water grants allowing states to build administrative reserves of unused funds from the Federal wastetreatment grant program.



3) Operating Program R&D

		<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>Total</u>
o President's 1984 budget targets								
	\$M	232	245	245	245	245	245	1,457
	FTE	1,726	1,654	1,654	1,654	1,654	1,654	
o EPA 1985 request add-on								
	\$M	+16	+67	+67	+67	+67	+67	+351
	FTE	+24	+202	+202	+202	+202	+202	

What existing ceiling funds:

- o 100% increase for acid rain research over 1984 level (+\$15M) to address all key policy issues needing near term resolution.
- o Full technology development program for Acid Rain.
- o Expansion of new research initiatives (e.g. epidemiology and biotechnology) started in 1984.
- o Accelerated production of health assessment documents to support future hazardous air regulations.
- o Continued research for operating programs at 1984 appropriated levels.

What EPA Add-ons buy:

- o 300% increase for acid rain research over 1984 level (+\$46M). Adds "comprehensive damage assessments" and 100% increase of monitoring stations and emission studies.
- o Indoor air pollution research.
- o 11th year of Great Lakes pollution research.
- o Increased assessments of new pollution control techniques.
- o Increased research into health effects from air pollution and hazardous wastes.

4) Operating Program Enforcement Resources

		<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>Total</u>
o President's 1984 budget target								
	\$M	84	100	100	100	100	100	585
	FTE	1,895	1,930	1,930	1,930	1,930	1,930	--
o EPA 1985 request add-on								
	\$M	--	+14	+14	+14	+14	+14	+70
	FTE	--	+295	+295	+295	+295	+295	--

What existing ceiling funds:

- o Direct Federal permitting and enforcement of existing environmental statutes in nondelegated states.
- o Oversight of enforcement and permitting activities conducted by delegated states.

What EPA Add-ons buy:

- o Additional direct Federal enforcement for two new programs in nondelegated states (permitting hazardous waste landfills and underground injections of toxic materials).
- o Intensified Federal enforcement of compliance by small industrial dischargers and municipal treatment plants in addition to state enforcement.

5) Regulatory Programs

	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>Total</u>
o President's 1984 budget target							
\$M	320	316	316	316	316	316	1,920
FTE	4,165	4,245	4,245	4,245	4,245	4,245	--
o EPA 1985 requested add-on							
\$M	--	+54	+54	+54	+54	+54	+270
FTE	--	+350	+350	+350	+350	+350	--

What existing ceiling funds:

- o Continued regulatory development at 1984 levels.
- o Oversight/management of delegated state programs and Wastewater Treatment Grants program.
- o Continued monitoring for regulatory development and assessment of environmental trends.
- o Reduced funding for narrow interest or region-specific programs (e.g. Great Lakes, Clean Lakes, Chesapeake Bay) also benefitting from national regulatory programs.

What EPA Add-ons buy:

- o Accelerated development of regulations for several programs.
- o Funds special interest or region-specific programs at historic rates.
- o Restores several programs (e.g. Non-point Source Water Pollution Program) eliminated in 1981.
- o Does not fund new Chesapeake Bay grant program. (\$10 million per year).

6) Management and Facilities

	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>Total</u>
o President's 1984 budget target							
\$M	251	236	236	236	236	236	1,431
FTE	2,857	2,761	2,761	2,761	2,761	2,761	
o EPA 1985 request add-on							
\$M	--	+68	+68	+68	+68	+68	+340
FTE	--	+250	+250	+250	+250	+250	

What existing ceiling funds:

- o EPA administrative and policy personnel, support costs, and building improvements.
- o Construction of a new radiation laboratory in Montgomery, Alabama.
- o An 11% increase in expenses (e.g. travel, supplies) per FTE.

What EPA Add-ons buy:

- o Additional administrative support for increased FTE in programmatic areas.
- o Construction of a new regional laboratory in Houston, Texas.
- o A 3% increase in salary per FTE (does not include the government-wide pay increase) and an additional 12% increase in expenses per FTE.

7) Government-wide Management Reductions

		<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>Total</u>
o President's 1984 budget target								
	\$M	--	-4	-4	-4	-4	-4	-20
	FTE	--	-321	-321	-321	-321	-321	
o EPA 1985 request add-on								
	\$M	--	+4	+4	+4	+4	+4	+20
	FTE	--	+321	+321	+321	+321	+321	

What existing ceiling funds:

- o Reductions in EPA personnel and associated BA savings assumed to result from forthcoming EPA reviews under OMB Circular A-76.
- o Savings due to reductions in the percentage of FTEs at the GS-11 through 15 grade levels.

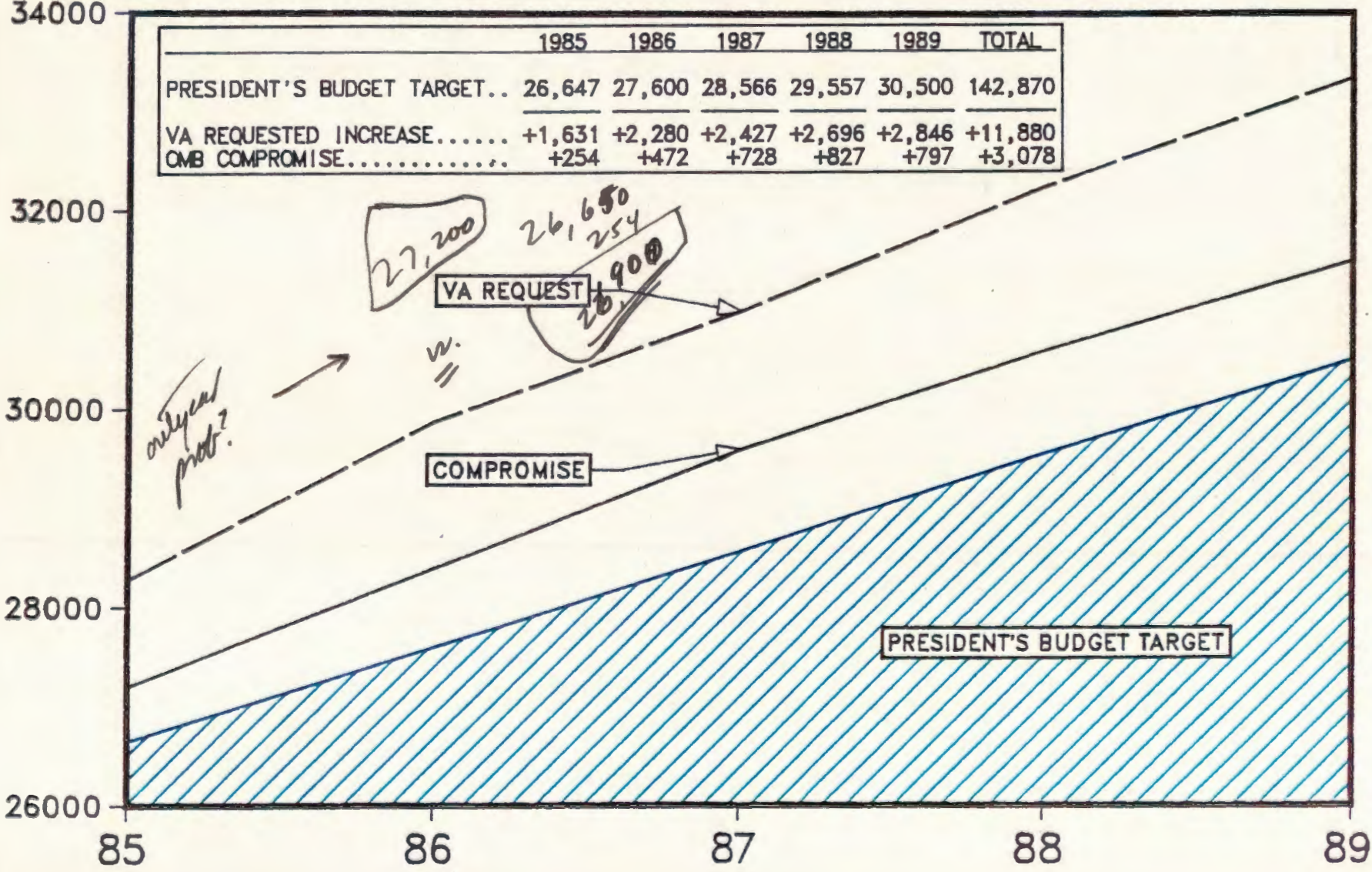
What EPA Add-ons buy:

- o The request did not assume savings associated with A-76 reviews or GS-11 through 15 grade reductions.

VA

# VETERANS ADMINISTRATION REQUEST VS. PRESIDENT'S FY 1984 BUDGET TARGETS

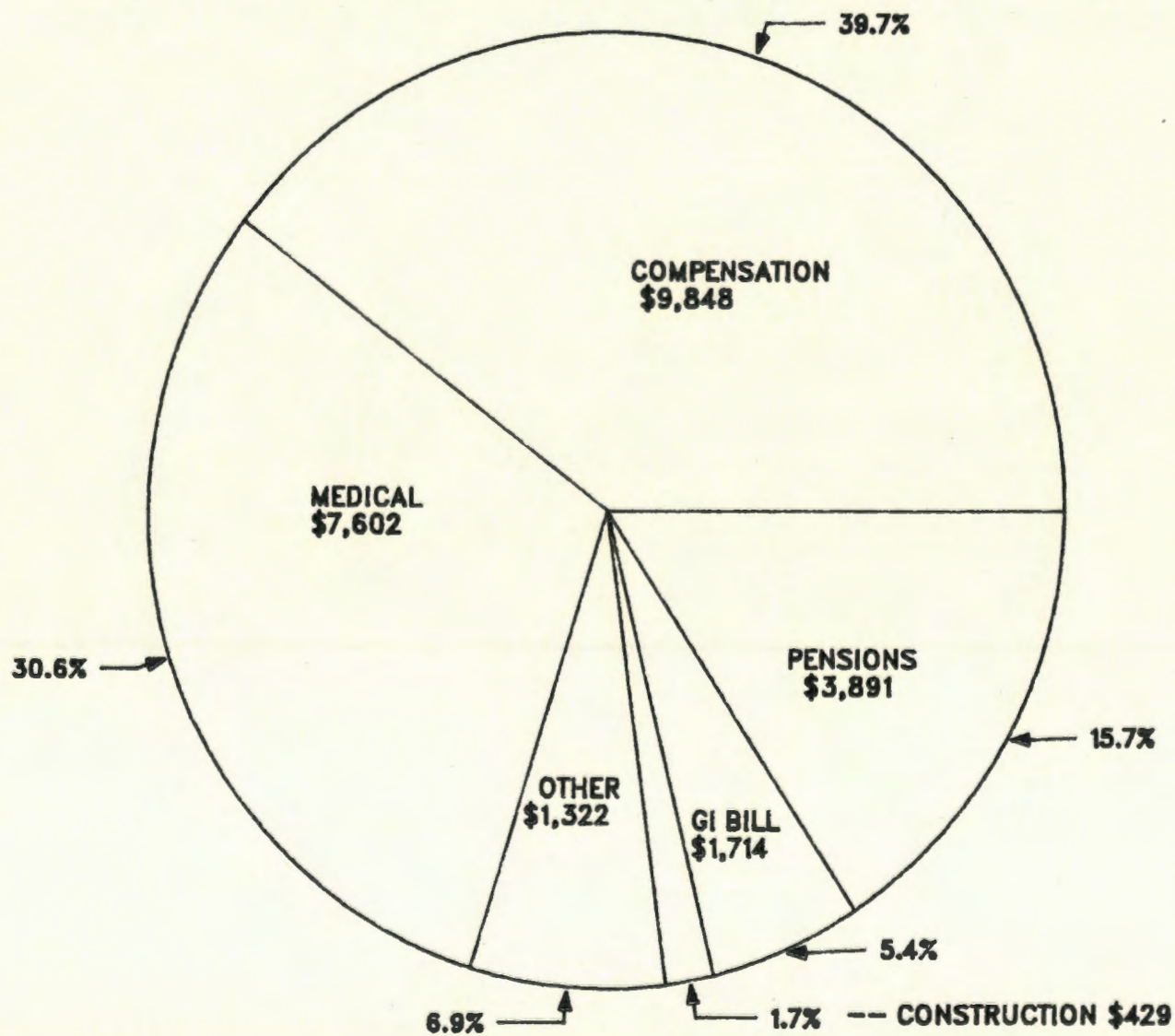
\$ MILLIONS



	1985	1986	1987	1988	1989	TOTAL
PRESIDENT'S BUDGET TARGET..	26,647	27,600	28,566	29,557	30,500	142,870
VA REQUESTED INCREASE.....	+1,631	+2,280	+2,427	+2,696	+2,846	+11,880
OMB COMPROMISE.....	+254	+472	+728	+827	+797	+3,078

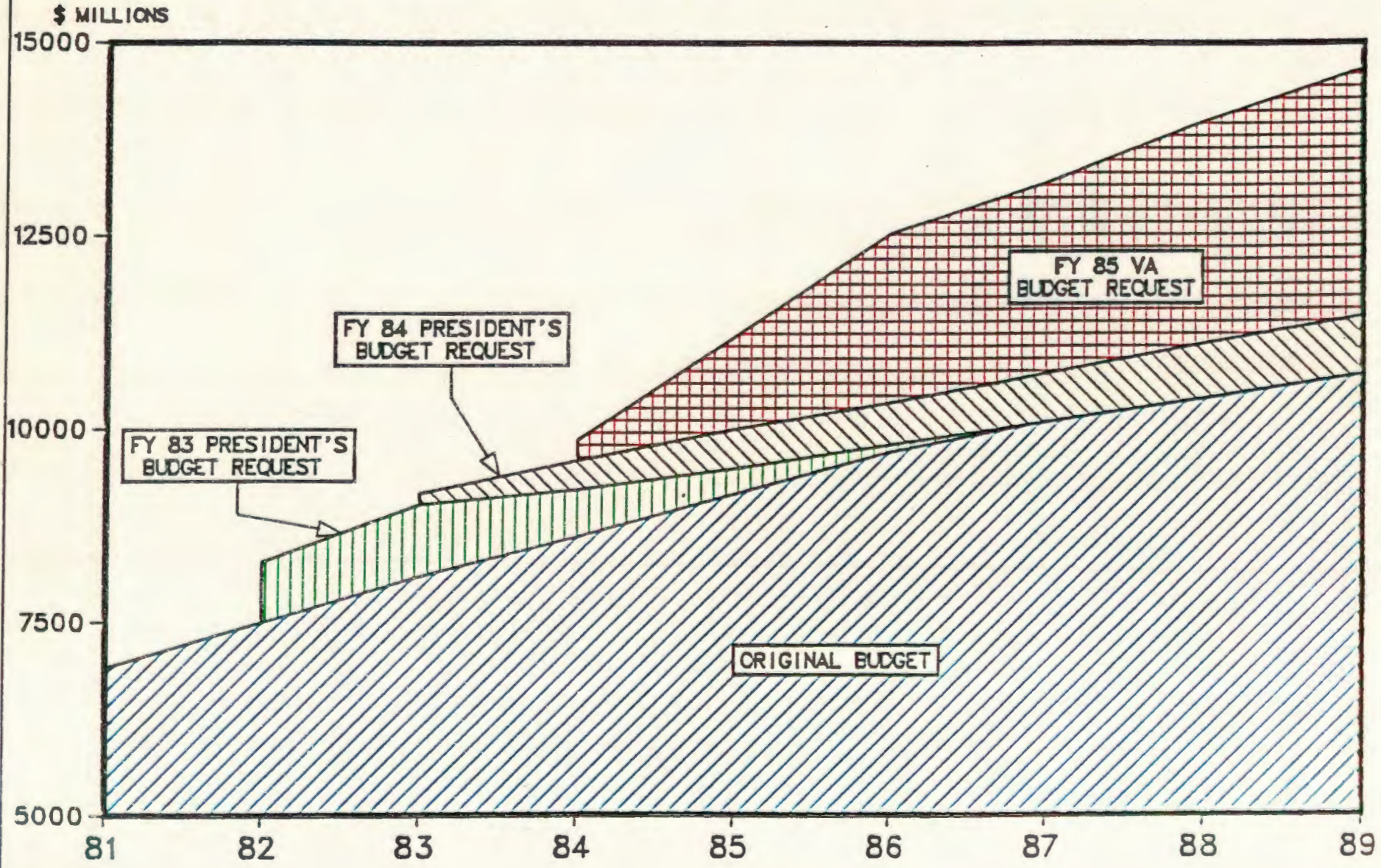
# DISTRIBUTION OF VA BUDGET BY MAJOR PROGRAM

(DOLLARS IN MILLIONS, 1983 OUTLAYS)



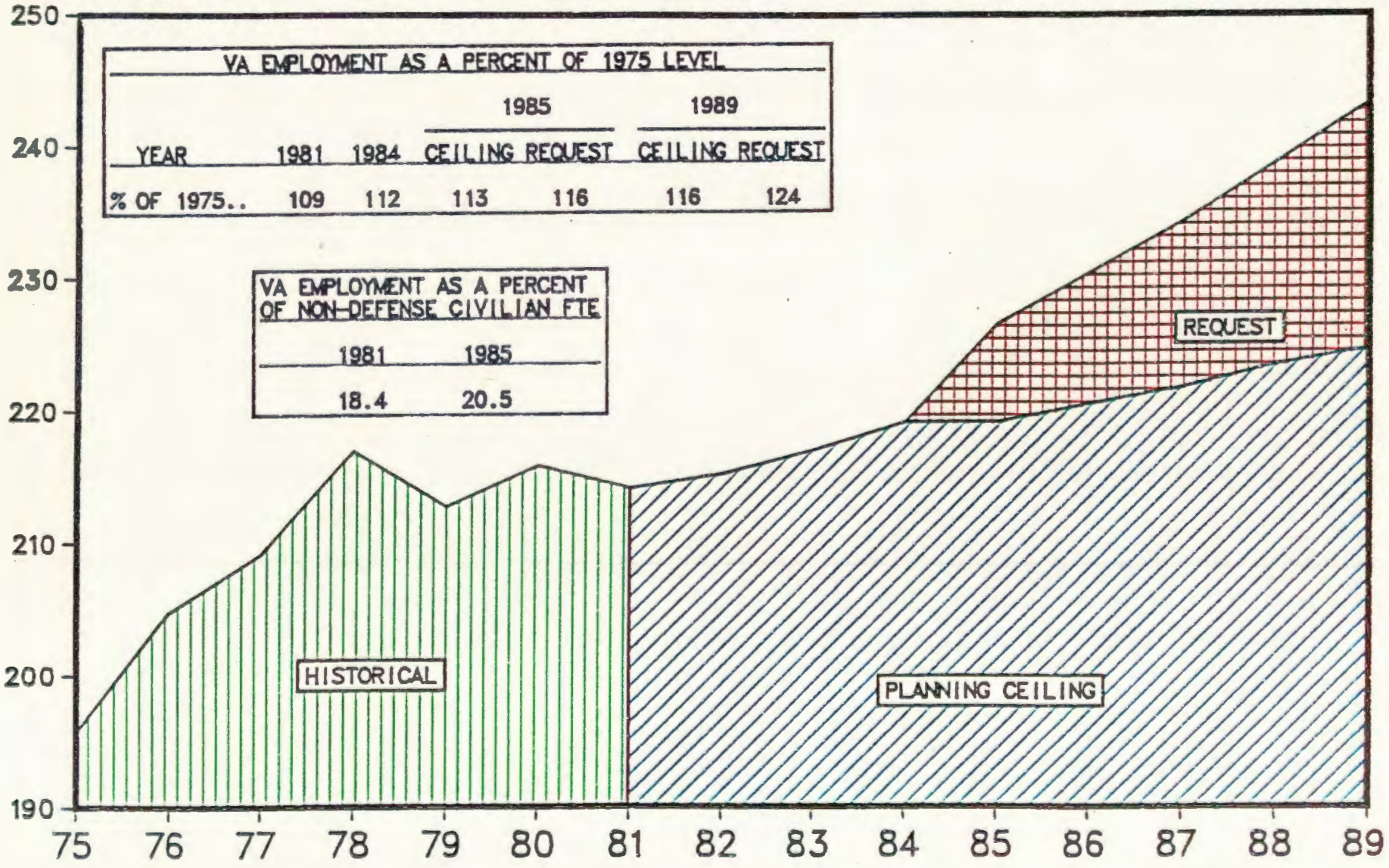


# VA'S BUDGET FOR DISCRETIONARY PROGRAMS HAS RECEIVED GENEROUS INCREASES SINCE 1981



# VA FTE PLANNING CEILING VS. REQUEST

FTE IN THOUSANDS



VA EMPLOYMENT AS A PERCENT OF 1975 LEVEL						
YEAR	1985		1989			
	1981	1984	CEILING	REQUEST	CEILING	REQUEST
% OF 1975..	109	112	113	116	116	124

VA EMPLOYMENT AS A PERCENT OF NON-DEFENSE CIVILIAN FTE	
1981	1985
18.4	20.5

December 5, 1983

Composition of VA  
Add-On to The President's FY 1984 Budget Targets

1. GI Bill

(BA in Millions)

	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>Total</u>
o President's Target...	1,137.8	996.0	859.8	739.7	620.8	4,354.1
o GI Bill Request Add-on.....	+136.7	+172.7	+145.9	+121.9	+102.4	+679.6

What President's Budget Target Funds

- o No cost-of-living increase in GI bill benefits.
- o Education and training for 573,000 veterans and dependents at 1981 average benefit level (last inflation adjustment).

What VA Request Add-on Buys

- o Increases GI bill benefits by 15% on the basis of CPI increases since 1981.
- o Compensates for erosion in real value of benefits because of increases in the cost of education since 1981.
- o Provides benefits to 8,400 additional veterans.

Possible Compromise. Allow increase as requested.

## 2. Hospital and Nursing Home construction.

(BA in Millions)

	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>Total</u>
o Pres. 1984 Budget Target.....	<u>707</u>	<u>770</u>	<u>815</u>	<u>866</u>	<u>900</u>	<u>4,058</u>
o VA 1985 Request Add-On.....	+60	+703	+715	+791	+838	+3,107
o OMB Compromise.....	-109	+130	+207	+203	+214	+645
o OMB Compromise vs. current services.....	(+150)	(+460)	(+482)	(+526)	(+555)	(+2,173)

### What President's Budget Target Funds

- o \$4.1 billion in major medical construction funds during FY 1985-1989 provides for:
  - Major modernization or replacement of 10 hospitals.
  - Construction of 20 nursing homes to provide 2,400 additional beds.
  - Correction of fire and safety, electrical, seismic, and other deficiencies.

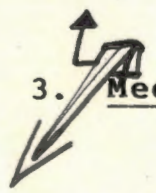
### What VA Request Add-on Buys

- o 5-year request of \$7.2 billion is more than 3 times greater than the 1980-1984 period.
- o Replacement or major modernization of 15 hospitals, 50% more than the President's target.

- The addition of 5,000 nursing home beds, over twice as many as the President's target allowed.
- A new \$111 million hospital in Baltimore, a project whose funds were successfully rescinded in 1982.

Possible compromise.

- Add \$645 million more to the President's budget target for 1985-1989.
- Maintain OMB 40% rule whereby replacement hospitals have fewer beds and VA medical care is more directed to service-disabled veterans.



3. Medical Programs. (Medical Care, Research, and Medical Administrative Overhead)

	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>Total</u>
<u>Budget Authority (BA in Millions)</u>						
• President's Target..	<u>8,629</u>	<u>8,963</u>	<u>9,374</u>	<u>9,769</u>	<u>10,176</u>	<u>46,894</u>
• VA 1985 Request Add-On.....	+748	+944	+1,075	+1,362	+1,511	+5,649
• OMB Compromise.....	+324	+398	+383	+476	+456	+2,037
<u>FTE</u>						
• President's Target..	<u>196,164</u>	<u>197,622</u>	<u>199,483</u>	<u>200,852</u>	<u>202,219</u>	
• VA 1985 Request Add-On.....	+4,552	+8,119	+9,144	+12,755	+16,108	
• OMB Compromise.....	+766	+1,409	+2,064	+2,605	+3,158	

What President's Budget Target funds

- o Continued steady expansion of medical care for veterans.
  - Average annual BA increases of \$370 million for medical care, totalling \$5.4 billion, 1985-1989.
  - Annual staffing increases averaging 1,600 FTE, for total growth of 8,000 FTE, 1985-1989.
  - Additional resources resulting in an increase of 3,500 inpatient and 60,000 outpatient treatments in 1985.
- o No reduction in employment or program levels for research and medical administrative overhead.

What VA add-on buys

- o Treatment of 40,000 additional inpatients, 11 times as many as the 3,500 increase allowed in the President's target.
- o 900,000 additional outpatient treatments, 15 times as many as the 60,000 increase allowed in the President's target.
- o Additional medical staff of 278 FTE and \$78.5 million for facilities coming on line in 1985.
- o Increases for new technological devices and enhanced program support (\$110 million.)
- o A 23% increase in research funding for prosthetic research, but also a 20% increase for new and enhanced levels of VA medical research into such areas as aging, Agent Orange, AIDS, and female veterans.
- o A 4% increase in administrative staff and 50% increase in training funds (+\$5 million).

Possible compromise

- o Allow \$306 million (BA) and 711 FTE over the President's 1985 target level for increased funding requirements and for facilities coming on line. This would allow VA to increase their medical care staff by 2,658 FTE over the 1984 level.
- o Allow \$15 million (BA) and 55 FTE for research to fund increased requirements and growth in prosthetic research. (The FTE is to be provided to the Centers for Disease Control (CDC), HHS, for continuation of the \$75 million Agent Orange epidemiological study being conducted for VA.)
- o Allow \$3 million (BA) in Medical Administrative overhead to fund growth in education and training activities.

4. General Operating Expenses and Management Overhead.

	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>Total</u>
<u>BA in Millions</u>						
o President's Target..	<u>725</u>	<u>736</u>	<u>750</u>	<u>767</u>	<u>783</u>	<u>3,761</u>
o VA 1985 Request.....	798	809	826	836	853	4,122
o OMB Compromise.....	+27	+25	+26	+16	+14	+108
<u>FTE</u>						
o President's Target..	<u>20,009</u>	<u>19,757</u>	<u>19,552</u>	<u>19,351</u>	<u>19,150</u>	<u>---</u>
o VA 1985 Request.....	20,960	20,744	20,663	20,162	20,039	---
o OMB Compromise.....	-747	-738	-609	-911	-843	---

What President's Budget Target Funds:

- o FY 1985 increase of \$14 million BA and a reduction of 283 FTE for management and overhead expenses of non-medical programs.
- FTE reduction based on declining workload (20% decrease, 1984 to 1985) and increased automation.

What VA Request Add-on Buys:

- o Request rejects Grace Commission recommendation to implement management efficiency moves, reduce staffing by 3000 FTE.

Possible compromise:

- o Implement one-third of Grace Commission recommendation now, instruct agency to see if the remainder is feasible in the future.
- o Make reductions in staffing based on program activity reductions (e.g., loan guaranty).

5. Jobs Bill. Request would provide \$150 million BA for second year funding of the Emergency Jobs Bill for 1985, providing 22,300 training slots.

- o Program was authorized for 2 years (1984-1985) at \$300 million; 1984 funding has been appropriated.

Added Cost:

(BA in Millions)

<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>Total</u>
150	(150) ?	(150) ?	(150) ?	(150) ?	(150) ?



- o Compromise. Shut the program down on grounds that:
  - The economy is strong.
  - Funding for a second year is likely to make the program permanent.
  - The President's target for the Jobs Training Partnership Act and the Displaced Workers program provides \$2.1 billion in 1985 for training activities that can aid eligible veterans.
  - Compromise increase in the GI bill would provide necessary resources for veterans training assistance.

6. Loan Guaranty program. Request continues the practice of having VA purchase homes on foreclosure.

- o VA and OMB agree that implementation of Grace Commission proposal to discontinue purchase is prudent.
- o Potential budget savings from policy agreement:

(BA in Millions)

	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>Total</u>
o Savings.....	-275.4	-253.1	-34.4	+10.0	+8.8	-544.1