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Financial Services and General Government (FSGG) FY2017 Appropriations: Independent Agencies and General Provisions

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Summary

The Financial Services and General Government (FSGG) appropriations bills include funding for more than two dozen independent agencies in addition to the larger entities in the bill (Department of the Treasury, the Executive Office of the President, the District of Columbia, and the judiciary). Among these are

- Consumer Product Safety Commission (CPSC),
- Election Assistance Commission (EAC),
- Federal Communications Commission (FCC),
- Federal Election Commission (FEC),
- Federal Labor Relations Authority (FLRA),
- Federal Trade Commission (FTC),
- General Services Administration (GSA),
- National Archives and Records Administration (NARA),
- Office of Personnel Management (OPM),
- Privacy and Civil Liberties Oversight Board (PCLOB),
- Securities and Exchange Commission (SEC),
- Selective Service System,
- Small Business Administration (SBA), and
- United States Postal Service (USPS).

The House and Senate FSGG bills fund the same agencies, with one exception. The Commodity Futures Trading Commission (CFTC) is funded through the Agriculture appropriations bill in the House and the FSGG bill in the Senate.

On February 9, 2016, President Obama submitted his FY2017 budget request. The request included a total of approximately $3.19 billion for the independent agencies funded through the FSGG appropriations bill, including $330 million for the CFTC.

On June 15, 2016, the House Committee on Appropriations reported the Financial Services and General Government Appropriations Act, 2017 (H.R. 5485, H.Rept. 114-624). The bill was amended on the House floor and passed on July 7, 2016. Total FY2017 funding for the FSGG independent agencies in the passed bill would have been approximately $1.65 billion, with another $250 million for the CFTC included in the Agriculture appropriations bill (H.R. 5054, H.Rept. 114-531). The combined total of approximately $1.9 billion would have been about $1.3 billion below President Obama's FY2017 request.

On June 16, 2016, the Senate Committee on Appropriations reported the Financial Services and General Government Appropriations Act, 2017 (S. 3067, S.Rept. 114-280). S. 3067 would have appropriated approximately $2.08 billion for the FSGG independent agencies, about $1.11 billion below President Obama's request.

No full-year FY2017 FSGG appropriations were enacted prior to the end of FY2016. On September 29, 2016, President Obama signed P.L. 114-223. Division C of this act provided for continuing appropriations through December 9, 2016, generally termed a *continuing resolution* (CR). The CR provided funding for most FSGG agencies at the FY2016 funding rate subject to an across-the-board decrease of 0.496%. This was followed by a second CR, P.L. 114-254, which

provided funding through April 28, 2017, and a third, P.L. 115-30, which provided funding through May 5, 2017.

The Consolidated Appropriations Act, 2017 (P.L. 115-31/H.R. 244) was enacted on May 5, 2017, following House passage on May 3 and Senate passage on May 4. FSGG appropriations, including the CFTC, were provided in Division E. FY2017 FSGG appropriations for the independent agencies totaled $1.53 billion, approximately $1.66 billion below President Obama's request.

Although financial services are a major focus of the FSGG appropriations bills, these bills do not include funding for many financial regulatory agencies, which are funded outside of the appropriations process. The FSGG bills do, however, often contain additional legislative provisions relating to such agencies.

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Introduction

The Financial Services and General Government (FSGG) appropriations bill includes funding for more than two dozen independent agencies in Title V. These agencies perform a wide range of functions, including the management of federal real property, the regulation of financial institutions and markets, and mail delivery.

This report focuses on funding for those independent agencies in Title V of the FSGG appropriations bill. It also addresses general provisions that apply government-wide, which appear in Title VII, and provisions on Cuba sanctions, which often appear in Title I. In addition, the FSGG bill funds the Department of the Treasury (Title I),[1] the Executive Office of the President (EOP, Title II), the judiciary (Title III),[2] the District of Columbia (Title IV), and it typically funds mandatory retirement accounts in Title VI, which also contains general provisions applying to the FSGG agencies.

The FSGG bill has existed in its current form since the 2007 reorganization of the House and Senate Committees on Appropriations. The House and Senate FSGG bills fund the same agencies, with one exception. The Commodity Futures Trading Commission (CFTC) is funded through the Agriculture appropriations bill in the House and the FSGG bill in the Senate. Although financial services are a major focus of the bills, FSGG appropriations bills do not include many financial regulatory agencies, which are instead funded outside of the appropriations process.[3]

Administration and Congressional Action

On February 9, 2016, President Obama submitted his FY2017 budget request. The request included a total of approximately $3.19 billion for the independent agencies funded through the FSGG appropriations bill, including $330 million for the CFTC.[4]

On June 15, 2016, the House Committee on Appropriations reported the Financial Services and General Government Appropriations Act, 2017 (H.R. 5485, H.Rept. 114-624).[5] The bill was amended on the House floor and passed on July 7, 2016. Total FY2017 funding for the FSGG independent agencies in the House-passed bill would have been approximately $1.65 billion, with another $250 million for the CFTC included in the Agriculture appropriations bill (H.R. 5054, H.Rept. 114-531).[6] The combined total of approximately $1.9 billion would have been about $1.3

[1] For more information, see CRS Report R44649, *Treasury Department Appropriations, FY2017*, by (name redacted)

[2] For more information, see CRS Report R44526, *Judiciary Appropriations, FY2017*, by (name redacted) .

[3] For more information, see CRS Report R43391, *Independence of Federal Financial Regulators: Structure, Funding, and Other Issues*, by (name redacted), (name redacted), and (name redacted)

[4] The President's budget generally does not total the requested amounts according to the congressional appropriations structure. This total amount is as reported in U.S. Congress, House Committee on Appropriations, *Financial Services and General Government Appropriations Bill, 2017*, report to accompany S. 3067, 114th Cong., 2nd sess., June 16, 2016, S.Rept. 114-280 (Washington: GPO, 2016).

[5] U.S. Congress, House Committee on Appropriations, *Financial Services and General Government Appropriations Bill, 2017*, report to accompany H.R. 5485, 114th Cong., 2nd sess., June 15, 2016, H.Rept. 114-624 (Washington: GPO, 2016).

[6] U.S. Congress, House Committee on Appropriations, *Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2017*, report to accompany H.R. 5054, 114th Cong., 2nd sess., April 26, 2016, H.Rept. 114-531 (Washington: GPO, 2016).

billion below President Obama's FY2017 request for the FSGG independent agencies. After a number of amendments on the floor, the House of Representatives passed H.R. 5485 on July 7, 2016. Most of the difference between the request and H.R. 5485 is in the General Services Administration (GSA) account, though substantial differences are also present in a number of other agencies.

On June 16, 2016, the Senate Committee on Appropriations reported the Financial Services and General Government Appropriations Act, 2017 (S. 3067, S.Rept. 114-280).[7] S. 3067 would have appropriated approximately $2.08 billion for the FSGG independent agencies, about $1.11 billion below President Obama's request. As with the House bill, most of this difference is due to the GSA.

With the end of FY2016 approaching and no permanent FSGG appropriations bill enacted, Congress passed H.R. 5325, and President Obama signed it into law as P.L. 114-223. Division C of this act provided for continuing appropriations through December 9, 2016, generally termed a *continuing resolution* (CR). The CR provides funding for most FSGG agencies at the FY2016 funding rate subject to an across-the-board decrease of 0.496% (pursuant to Section 101(b) of Division C).

The CR included some *anomalies*, specific changes from the FY2016 funding amounts. For the FSGG independent agencies, the anomalies provided for the presidential inauguration and transition in Sections 125 and 128 of Division C. These sections provided funding at a rate for operations of $9.5 million for the GSA and $4.9 million for the National Archives and Records Administration (NARA). Section 129 of the CR authorized the apportionment of appropriations of up to the rate that is necessary to allow the Small Business Administration (SBA) to continue issuing general business loans under the 7(a) loan guaranty program if "increased demand for commitments" should exceed the program's fiscal year authorization ceiling, which was $26.5 billion. Two further CRs were enacted without specific FSGG anomalies: P.L. 114-254 provided funding through April 28, 2017, and a third, P.L. 115-30, provided funding through May 5, 2017.

Consolidated Appropriations Act, 2017 (P.L. 115-31)

The House of Representatives passed H.R. 244 on May 3, 2017, followed by Senate passage on May 4 and enactment on May 5. FSGG appropriations, including the CFTC, were provided in Division E. FSGG appropriations for the independent agencies totaled $1.53 billion, approximately $1.66 billion below President Obama's request.

Table 1 reflects the status of FSGG appropriations measures at key points in the appropriations process. **Table 2** lists the broad amounts requested by the President and included in the various FSGG bills, largely by title, and **Table 3** details the amounts for the independent agencies. Specific columns in **Table 2** and **Table 3** are FSGG agencies' enacted amounts for FY2016, President Obama's FY2017 request, the FY2017 amounts from H.Rept. 114-624 and H.Rept. 114-531, the FY2017 amounts from S.Rept. 114-280, and the enacted FY2017 amounts from the Explanatory Statement in the Congressional Record.[8]

[7] U.S. Congress, House Committee on Appropriations, *Financial Services and General Government Appropriations Bill, 2017*, report to accompany S. 3067, 114th Cong., 2nd sess., June 16, 2016, S.Rept. 114-280 (Washington: GPO, 2016).

[8] Rep. Rodney Frelinghuysen, "Explanatory Statement Submitted by Mr. Frelinghuysen of New Jersey, Chairman of The House Committee on Appropriations, Regarding the House Amendment to the Senate Amendments on H.R. 244," *Congressional Record*, vol. 163, no. 76–book II (May 5, 2017), pp. H3782-H3806.

Table 1. Status of FY2017 Financial Services and General Government Appropriations

Subcommittee Markup							Final Adoption		
House	Senate	House Report	House Passage	Senate Report	Senate Passage	Conference Report	House	Senate	Public Law
5/25/16	6/15/16	H.Rept. 114-624 6/15/16	7/7/16	S.Rept. 114-280 6/16/16	—	—	H.R. 244 5/3/17	H.R. 244 5/4/17	P.L. 115-31 5/5/17

Source: Prepared by the Congressional Research Service (CRS).

Table 2. Financial Services and General Government Appropriations, FY2016-FY2017

(in millions of nominal dollars)

Agency	FY2016 Enacted	FY2017 Request	H.R. 5485/ H.R.5054	S. 3067	P.L. 115-31
Department of the Treasury	$11,942	$13,146	$11,699	$12,040	$11,595
Executive Office of the President	692	646	706	705	709
The Judiciary	7,203	7,424	7,387	7,418	7,359
District of Columbia	730	764	725	746	756
Independent Agencies	3,304	3,188	1,897	2,076	1,528
Mandatory Retirement Accounts	20,961	21,376	21,376	21,376	21,376
Total	**$44,832**	**$46,544**	**$43,790**	**$44,361**	**$43,325**

Sources: House amounts from H.R. 5485 as passed by the House, H.Rept. 114-624, and H.Rept. 114-531; Senate amounts from S.Rept. 114-280; FY2016 enacted, FY2017 request, and FY2017 enacted from the Explanatory Statement and P.L. 115-31.

Notes: Totals for each column include funding for the Commodity Futures Trading Commission (CFTC). The CFTC is funded in the House through the Agriculture appropriations bill and in the Senate through the FSGG bill. Figures reflect rescissions and offsetting collections. The mandatory spending for the President's salary is contained in Title VI, whereas the rest of presidential spending is in Title II. The Mandatory Retirement Accounts amount stems from Title VI (§619). Title VI also includes authority for the Public Company Accounting Oversight Board to obligate $1 million in funding for a scholarship program in Section 620. Totals may not sum due to rounding. Dollar amounts are not adjusted for inflation.

Independent Agencies

The FSGG appropriations bill provides funding for more than two dozen independent agencies, performing a wide range of functions. These functions include the management of federal real property (GSA), the regulation of financial institutions and markets (SEC and CFTC), and mail delivery (USPS). **Table 3** details the FSGG independent agencies' FY2016-enacted amounts, President Obama's FY2017 request, and the FY2017 amount from the House, Senate, and final bills.

Table 3. FSGG Independent Agencies Appropriations, FY2016-FY2017

(in millions of dollars)

Agency	FY2016 Enacted	FY2017 Request	H.R. 5485/ H.R. 5054	S. 3067	P.L. 115-31
Administrative Conference of the United States	$3	$3	$3	$3	$3
Commodity Futures Trading Commission[a]	250	330	250	250	250
Consumer Product Safety Commission	125	131	121	124	126
Election Assistance Commission	10	10	5	10	10
Federal Communications Commission[b]	(384)	(358)	(315)	(341)	(357)
Federal Deposit Insurance Corporation: Office of Inspector General[c]	(35)	(36)	(36)	(36)	(36)
Federal Election Commission	76	81	81	79	79
Federal Labor Relations Authority	26	27	27	26	26
Federal Trade Commission (direct appropriation)	169	202	178	167	173
General Services Administration[d]	642	362	-706	-548	-1,095
Harry S. Truman Scholarship Foundation	1	—	—	1	1
Merit Systems Protection Board	47	47	47	47	47
Morris K. Udall Foundation	5	5	—	5	5
National Archives and Records Administration[e]	375	375	376	375	376
National Credit Union Administration	2	2	2	2	2
Office of Government Ethics	16	16	16	16	16
Office of Personnel Management (discretionary)	272	321	319	275	289
Office of Special Counsel	24	27	26	24	25
Postal Regulatory Commission	15	18	16	15	16
Privacy and Civil Liberties Oversight Board	21	10	10	10	10
Securities and Exchange Commission[b]	(1,605)	(1,781)	(1,555)	(1,605)	(1,605)
- SEC Reserve Fund Recission	-25		-75		-25
Selective Service System	23	23	23	23	23
Small Business Administration	871	878	883	871	887
- SBA Prior Year Recission		-55	-55	-55	-55
United States Postal Service (USPS)	55	64	41	48	35
USPS Office of Inspector General	249	259	258	253	254
United States Tax Court	51	54	51	54	51

Agency	FY2016 Enacted	FY2017 Request	H.R. 5485/ H.R. 5054	S. 3067	P.L. 115-31
Total: Independent Agencies (net discretionary)	**$3,304**	**$3,188**	**$1,897**	**$2,076**	**$1,528**

Sources: House amounts from H.R. 5485 as passed by the House, H.Rept. 114-624, and H.Rept. 114-531; Senate amounts from S.Rept. 114-280; FY2016 enacted, FY2017 request, and FY2017 enacted from the Explanatory Statement and P.L. 115-31.

Notes: All figures are rounded. Columns may not sum due to rounding.

a. The CFTC is funded in the House through the Agriculture appropriations bill and in the Senate through the FSGG bill.

b. The Federal Communications Commission (FCC) and the Securities and Exchange Commission (SEC) are funded by collecting regulatory fees, resulting in no direct appropriations. Therefore, the amounts shown for the FCC and SEC represent budgetary resources, but those amounts are not included in the table totals. SEC reserve fund reduction is contained in the general provisions in Title VI rather than with the agency funding in Title V and is included in the totals.

c. Budget authority transferred to the Federal Deposit Insurance Corporation's (FDIC's) Office of Inspector General (OIG) is not included in total FSGG appropriations; it is counted as part of the budget authority in the appropriation account from which it came.

d. The General Services Administration's (GSA's) real property activities are funded through the Federal Buildings Fund (FBF), a multi-billion dollar revolving fund into which federal agencies deposit rental payments for leased-GSA space. Congress makes the FBF revenue available each year to pay for GSA's real property activities. A negative total for the FBF occurs when the amount of funds made available for expenditure in a fiscal year is less than the amount of new revenue expected to be deposited.

e. Amount as shown in the committee reports; figures do not include appropriations for repayments of principal on the construction of the Archives II facility. The amount reported in the President's budget request and the specific appropriations bills includes this principal repayment.

Bureau of Consumer Financial Protection[9]

The Bureau of Consumer Financial Protection (popularly known as the Consumer Financial Protection Bureau, or CFPB) was created in the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) as an independent agency to "regulate the offering and provision of consumer financial products or services."[10] CFPB is funded by the Federal Reserve according to a statutory formula. This funding is not subject to House and Senate Appropriations Committees review, although the bureau may request additional funding, which would require the enactment of an appropriations measure. No additional funding was requested for FY2017, but the FSGG bills do contain CFPB-related language. H.R. 5485 as passed by the House would have prohibited any fund transfers from the Federal Reserve to the CFPB as of October 1, 2017, instead authorizing regular appropriations for the CFBP and requiring additional reporting from the CFPB. The bill would also have changed the CFPB leadership to a five-person commission instead of a single director. S. 3067 as reported did not include similar language.

P.L. 115-31 does not contain language altering the CFPB's structure or funding.

[9] For more information on the CFPB, see CRS In Focus IF10031, *Introduction to Financial Services: The Consumer Financial Protection Bureau (CFPB)*, by (name redacted) and (name redacted), and CRS Report R42572, *The Consumer Financial Protection Bureau (CFPB): A Legal Analysis*, by (name redacted) .

[10] P.L. 111-203, §1101.

Commodity Futures Trading Commission[11]

The Commodity Futures Trading Commission is the independent regulatory agency charged with oversight of derivatives markets. The CFTC's functions include oversight of trading on the futures exchanges, oversight of the swaps markets, registration and supervision of futures industry personnel, self-regulatory organizations and major participants in the swaps markets, prevention of fraud and price manipulation, and investor protection. Although most futures trading is now related to financial variables, such as interest rates, currency prices, and stock indexes, congressional authorization jurisdiction remains vested in the House and Senate Agriculture Committees because of the market's historical origins as an adjunct to agricultural markets. Appropriations for the CFTC are under the jurisdiction of the Agriculture Appropriations Subcommittee in the House and the Financial Services and General Government Appropriations Subcommittee in the Senate.

Following the financial crisis of 2008, concerns over the largely unregulated nature of the over-the-counter swaps markets led to various reforms passed in Title VII of the Dodd-Frank Act. This act brought the bulk of the previously unregulated over-the-counter swaps markets under CFTC jurisdiction as well as the previously regulated futures and options markets.[12] Passage of the Dodd-Frank Act resulted in the CFTC's oversight of the economically significant swaps markets with an estimated notional value of roughly $240 trillion in the United States. This newly regulated market comes on top of the CFTC's prior jurisdiction over the futures and options markets, with an estimated $34 trillion notional value in the United States.[13]

The President requested $330 million for the CFTC in FY2017. H.R. 5054 as reported and S. 3067 as reported would have appropriated $250 million, the same amount as enacted in FY2016. P.L. 115-31 included $250 million for the CFTC.

Consumer Product Safety Commission[14]

The Consumer Product Safety Commission (CPSC) is a federal regulatory agency whose mission is to reduce consumers' risk of harm from the use of a wide array of products. In carrying out its statutory responsibilities, the commission creates mandatory safety standards; works with industries to develop voluntary safety standards; bans products it deems unsafe when other options are not feasible; monitors the recall of defective products; informs and educates consumers about product hazards; conducts research on and develops testing methods for product safety; collects and publishes for public use a host of data on injuries and product hazards; and collaborates with state and local governments to establish uniform domestic product regulations.

The Obama Administration requested $130.5 million in appropriations for the commission in FY2017, or $5.5 million more than the FY2016-enacted amount.[15] Of the requested amount, $4 million would have been available through the end of FY2018 to implement the CPSC's

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[11] This section authored by Rena Miller. For more information on the CFTC, see CRS Report R43117, *The Commodity Futures Trading Commission: Background and Current Issues*, by (name redacted)

[12] The Securities and Exchange Commission (SEC) overseas a subset of the swaps market called security-based swaps that includes securities, such as stocks and bonds.

[13] Figures from the CFTC, in U.S. Office of Management and Budget (OMB), *Appendix, Budget of the United States, FY2015*, p. 1271.

[14] This section authored by (name redacted)

[15] U.S. Consumer Product Safety Commission, *Fiscal Year 2017 Performance Budget Request*, February 9, 2016, at https://www.cpsc.gov/Global/About-CPSC/Budget-and-Performance/FY2017PerformanceBudgetRequest.pdf.

responsibilities under Section 2 of the 21st Century Nanotechnology Research and Development Act.[16] With the addition of unobligated balances from previous years and reimbursements, CPSC's budget for FY2017 could have totaled $135 million. According to CPSC's budget document, relative to the FY2016-enacted amount, the budget request included a decrease of $1 million for a project to lower the costs of third-party testing related to the certification of children's products under the Consumer Product Safety Act (CPSA);[17] the request contained increases of $0.5 million to maintain the collection of data on product-related injuries treated in hospital emergency rooms through the National Electronic Injury Surveillance System, $3 million to expand the commission's involvement in the Import Surveillance pilot program, and $3 million to conduct research into the potential harm to people from long-term exposure to nanotechnology in consumer products and crumb rubber, a recycled granular rubber used in playgrounds and artificial turf on athletic fields, among other uses.

The budget request also asked Congress (for the third year in a row) to authorize an import surveillance user fee to cover up to $36 million of the annual cost of the import surveillance program the CPCS jointly conducts with U.S. Customs and Border Protection. Under the proposal, CPSC agents would have begun to collect the fee at U.S. ports in FY2018.

As passed by the House, H.R. 5485 would have provided $121.3 million in appropriations for the CPSC in FY2017, or $9.2 million less than the budget request. Of that amount, $1.3 million was designated for the Virginia Graeme Baker Pool and Spa Safety (VGBPS) Act[18] grant program, and $1 million was reserved for costs associated with creating an advisory committee for each of the following the topics: imported products monitored by the commission, consumer product recalls, and public disclosures of information about recalled products.[19]

None of the recommended appropriations could have been used to "finalize, implement, or enforce" a proposed rule on public disclosures of information under Section 6(b) of the CPSA or a proposed rule on safety standards for recreational off-highway vehicles (ROVs) that was published in the *Federal Register* on November 19, 2014 (79 Fed. Reg. 68964). No action could have been taken on the latter rule until the National Academy of Sciences completed a study that examined the following potential effects of the rule:

- the technical feasibility of the standards,
- the number of ROV rollovers they would prevent,
- the technical basis for a proposed point-of-sale hangtag about an ROV's rollover resistance on a progressive scale, and
- the impact of the standards on the ROVs used by the U.S. military.

In its report on the bill, the House Appropriations Committee directed the CPSC to continue submitting quarterly reports to both appropriations committees on the commission's ongoing efforts to develop ways to reduce the cost to third parties of testing children's products for certification under the CPSA, including a discussion of approaches the commission decided not to pursue.[20]

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[16] P.L. 108-153.

[17] P.L. 92-573.

[18] P.L. 110-140, Title XIV.

[19] Each committee would have 20 members, be required to submit quarterly reports on their findings to both appropriations committees, and terminate at the end of FY2017.

[20] H.Rept. 114-624, p. 54.

S. 3067 as reported would have provided the CPSC with $124 million in appropriations for FY2017, or $5.5 million less than the budget request. It would have imposed no explicit restrictions on use of the funds.[21]

The Senate committee directed the commission to submit a report to both appropriations committees within 60 days of the bill's enactment on CPSC's current efforts to develop better ROV safety standards through a voluntary process involving consultations with other stakeholders, particularly manufacturers. The report should also discuss the commission's intentions regarding the use of the mandatory process for establishing new rules for the safe design of ROVs.

The Senate committee also directed the commission to issue a report to both appropriations committees within 180 days of the bill's enactment on current voluntary standards and labeling requirements for protective headgear and helmets worn in youth sports and the commission's role in the development of those standards and requirements.

Under P.L. 115-31, the CPSC is receiving $126.0 million in appropriations for FY2017, or $1 million more than the amount enacted for FY2016. Of this amount, $1.3 million is available until it is spent for the pool and spa safety program grants program established by the VGBPS Act. Section 501 of the administrative provisions for the commission bars it from using any of the funds to "finalize or implement" the proposed rule on safety standards for ROVs until the National Academy of Sciences completes its study. The explanatory statement did not remove the reports directed in the committee reports.

Election Assistance Commission

The Election Assistance Commission (EAC) was established under the Help America Vote Act of 2002 (HAVA).[22] The commission provides grant funding to states to meet HAVA requirements and for election reform programs; provides for testing and certifying voting machines; publishes studies of election issues; and promulgates voluntary guidelines for voting systems standards with respect to HAVA's requirements. Although the commission was not given new rulemaking authority under HAVA, the law transferred responsibilities for the National Voter Registration Act (NVRA),[23] including rule-making authority, from the Federal Election Commission (FEC) to the EAC. The Department of Justice has enforcement responsibility under HAVA.

President Obama's budget request for FY2017 included $9.6 million for the EAC, of which $1.5 million would be transferred to the National Institute of Standards and Technology (NIST) to support work on testing guidelines for voting system hardware and software.

H.R. 5485 would have provided $4.9 million for the EAC. The House Committee on Appropriations recommended eliminating the EAC and transferring its functions to the FEC. The committee report notes that one of four commissioner seats remains vacant, all but $5 million of the $3 billion appropriated for HAVA grants since 2003 had been distributed, and President Obama had not requested additional funds. The report also notes that President Obama created an ad hoc commission to review concerns about long voter lines and military and overseas voting in the 2012 election and to recommend best practices, rather than directing the EAC to do so.[24] The

[21] S.Rept. 114-280, p. 76.

[22] P.L. 107-252; 116 Stat. 1666.

[23] P.L. 103-31; 107 Stat. 77.

[24] The Presidential Commission on Election Administration was established on March 28, 2013, and issued its report and recommendations to the President on January 22, 2014, available at https://www.supportthevoter.gov/files/2014/

committee expressed support for legislation to eliminate the EAC that was reported by the House Administration Committee in the 114th Congress.[25]

S. 3067 would have provided $9.6 million for the EAC, with $1.5 million of that amount to NIST for election reform activities.

P.L. 115-31 appropriates $9.6 million for the EAC, with $1.4 million of that amount transferred to NIST.

Federal Communications Commission[26]

The Federal Communications Commission (FCC) is an independent federal agency with its five board members appointed by the President, subject to confirmation by the Senate. It was established by the Communications Act of 1934 and is charged with regulating interstate and international communications by radio, television, wire, satellite, and cable.

Since 2009, the FCC's entire budget is derived from regulatory fees collected by the agency rather than through a direct appropriation. The fees, often referred to as "Section (9) fees," are collected from license holders and certain other entities (e.g., cable television systems) and deposited into an FCC account. The law gives the FCC authority to review the regulatory fees and to adjust the fees to reflect changes in its appropriation from year to year.[27] For FY2017, the FCC requested a budget of $358 million, all to be derived from regulatory fees. H.R. 5485 as passed by the House would have appropriated $315 million, and S. 3067 as reported would have appropriated $341 million.

P.L. 115-31 appropriates $356.7 million for the FCC, all to be derived from regulatory fees.

Federal Deposit Insurance Corporation's Office of the Inspector General[28]

The Federal Deposit Insurance Corporation (FDIC) in general is funded through deposit insurance funds outside of the appropriations process. The FDIC's Office of the Inspector General (OIG), whose mission is to audit, investigate, and review the FDIC's operations and programs, is also funded from deposit insurance funds, but the amount is directly appropriated (through a transfer) to ensure the independence of the OIG. President Obama's request included $36 million for the FDIC OIG, the same amount as in both the House and Senate bills and about $1.4 million more than FY2016-enacted amount. P.L. 115-31 appropriates $36 million for the FDIC OIG.

01/Amer-Voting-Exper-final-draft-01-09-14-508.pdf.

[25] H.Rept. 114-624 does not include a bill number, but H.R. 195 would meet the criteria as specified.

[26] This section authored by (name redacted) .

[27] Most years, appropriations language prohibits the use by the Federal Communications Commission (FCC) of any excess collections received in the current fiscal year or any prior years. These funds remain in the FCC account and are not made available to other agencies or agency programs nor redirected into the Treasury's general fund.

[28] For more information on the Federal Deposit Insurance Corporation (FDIC), see CRS Report R41718, *Federal Deposit Insurance for Banks and Credit Unions*, by (name redacted). For more information inspectors general, see CRS Report R43814, *Federal Inspectors General: History, Characteristics, and Recent Congressional Actions*, by (name re dacted) and (name redacted) .

Federal Election Commission[29]

The FEC is an independent agency that administers, and enforces civil compliance with, the Federal Election Campaign Act (FECA) and campaign finance regulations.[30] The agency does so through educational outreach, rulemaking, and litigation, and by issuing advisory opinions. The FEC also administers the presidential public financing system.[31] In recent years, FEC appropriations have generally been noncontroversial and subject to limited debate in committee or on the House and Senate floors.[32]

For FY2017, H.R. 5485 as passed by the House would have appropriated $80.5 million for the FEC. This is the same amount the agency requested and $4.4 million (5.8%) more than the $76.1 million appropriated in FY2016.[33] Of the $80.5 million, $8 million would have remained available until September 30, 2018, "for lease expiration and replacement lease expenses." As the commission's budget justification explains, the agency's current lease for space at 999 E Street, NW, expires on September 30, 2017.[34] S. 3067 as reported would have appropriated $79.1 million for the FEC, which is $1.4 million (1.8%) less than the $80.5 million provided in the House-passed bill. The Senate-reported bill contained the same $8 million lease provision as is included in the House measure. As in previous years, more than 90% of the FEC budget was expected to be accounted for by three major expense areas: salaries and benefits, rent, and information technology.[35] All three have been consistently prominent in recent years and were again expected to be a major part of the agency's budget in 2017 and beyond.

In addition, as in previous years, other sections of the FSGG legislation contained provisions related to campaign finance policy:

- Section 625 of the House-passed version of H.R. 5485 would have prohibited the Securities and Exchange Commission (SEC) from issuing rules "regarding disclosure of political contributions" or payments for trade-association dues. Section 628 of S. 3067 as reported in the Senate contained a similar provision.
- Section 735 of the House-passed version of H.R. 5485 and of S. 3067 as reported in the Senate would have prohibited reporting certain political contributions or expenditures as a condition of the government-contracting process.
- Section 1202 of the House-passed version of H.R. 5485 would have prohibited spending appropriated funds to enforce a FECA provision known as the "prior

[29] This section was authored by (name redacted).

[30] The Federal Election Campaign Act (FECA) is currently codified at 52 §30101 et seq. The act was previously codified at 2 U.S.C. §431 et seq. Effective September 2014, parts of federal election law, including FECA, were reclassified in the *U.S. Code*.

[31] The Department of the Treasury and the Internal Revenue Service (IRS) also have administrative responsibilities for presidential public financing. However, Congress does not appropriate funds for the program. For a brief overview, see additional discussion in CRS Report R41604, *Proposals to Eliminate Public Financing of Presidential Campaigns*, by (name redacted)

[32] For additional discussion of current campaign finance issues, see CRS Report R41542, *The State of Campaign Finance Policy: Recent Developments and Issues for Congress*, by (name redacted)

[33] The Federal Election Commission (FEC) submits its budget request directly to Congress and, simultaneously, to the Office of Management and Budget. For FY2016 appropriations, see P.L. 114-113; 129 Stat. 2450.

[34] FEC, *Fiscal Year 2016 Congressional Budget Justification*, February 9, 2016, p. 3, at http://www.fec.gov/pages/budget/fy2017/fy_2017_congressional_budget.pdf.

[35] FEC, *Fiscal Year 2016 Congressional Budget Justification*, February 9, 2016, p. 6, at http://www.fec.gov/pages/budget/fy2017/fy_2017_congressional_budget.pdf.

approval" rule.[36] This provision would have limited the number of trade associations that may solicit member-companies' employees.

P.L. 115-31 provides the same $79.1 million amount as S. 3067 as reported. It also contains the $8 million lease provision. Finally, the law includes the restrictions on SEC disclosure (§635) and contractor disclosure (§735), but not the language on the prior approval rule.

For more information on the FEC and campaign finance issues, see CRS Report R41542, *The State of Campaign Finance Policy: Recent Developments and Issues for Congress*, by (name r edacted)

Federal Trade Commission[37]

The Federal Trade Commission (FTC) has two primary responsibilities: (1) to protect consumers from deceptive advertising or illegal business practices and (2) to maintain or enhance competition in a broad range of industries. It carries them out by enforcing laws prohibiting anticompetitive, deceptive, or unfair business practices; issuing new and revised regulations; and educating consumers and business owners to foster informed consumer choices, improved compliance with the law, and vigorous competition in free and open markets.

Operating funds for the agency come from three sources, listed in descending order of importance: (1) direct appropriations, (2) pre-merger filing fees under the Hart-Scott-Rodino (HSR) Antitrust Improvements Act of 1976,[38] and (3) Do-Not-Call (DNC) Registry fees. In FY2016, of the FTC's enacted budget of $306.9 million, direct appropriations accounted for 55%, HSR filing fees for 40%, and DNC registry fees for 5%.

Under President Obama's FY2017 request, the FTC would have received $199 million in direct appropriations.[39] With the addition of an estimated $128 million in HSR filing fees and $15 million in DNC registry fees, the FTC's FY2017 budget could have totaled $342 million, or $35.1 million more than the amount enacted for FY2016.

The budget request can also be examined from the perspective of the resources devoted to the FTC's two primary missions: protecting consumers and promoting business competition. In FY2016, 56% of the enacted budget was devoted to protecting consumers and 44% to promoting competitive markets. In FY2017, 54% of the budget would have gone to protecting consumers and 46% to promoting competition.

According to the FTC's budget document, the requested $35.1 million increase in funding would have been used for the following purposes:

- $7 million for maintaining current operating levels,
- $3.5 million for hiring 20 new full-time equivalent employees, and
- $24.6 million for a variety of programs (including $12.1 million for implementing the agency's information technology modernization plan and $5 million for the services of expert witnesses in legal proceedings regarding business practices).

[36] 52 §30118(b)(4)(D).

[37] This section authored by (name redacted)

[38] P.L. 94-435.

[39] Federal Trade Commission (FTC), *Fiscal year 2017 Congressional Budget Justification*, February 9, 2016, p. 2.

H.R. 5485 as passed by the House would have provided $317 million in funding for the FTC in FY2017, or $25 million less than the budget request.[40] Of that amount, $177 million would have come from direct appropriations, $125 million from HSR filing fees, and $15 million from DNC registry fees.[41]

In its report on the bill, the House Appropriations Committee expressed concern about deceptive online advertising that led consumers to provide credit card information to fraudulent websites purporting to be a hotel's actual website or an online hotel booking portal. According to a 2015 study by the American Hotel and Lodging Association, an estimated 15 million hotel bookings were made through fake hotel websites in 2014.[42] To address this issue, the committee directed the FTC to investigate deceptive activities in the mobile and online hotel booking market involving third-party online hotel resellers (or their affiliates) that have no contract with a hotel company. The FTC was directed to submit a report to both appropriations committees within 90 days of the bill's enactment on recommended actions to combat deceptive advertising practices in this market.

The committee also noted that consumers should have unlimited access to "legitimate credit education products and tools" to help them improve their personal finances. But it expressed concern that the Credit Repair Organizations Act (CROA) was preventing companies from providing such services. [43] To shed more light on this issue, the committee directed the FTC to submit a report within 120 days of the bill's enactment on the benefits to consumers from unimpeded access to credit education services, and the extent to which (if any) CROA was interfering with the development and provision of such services.

S. 3067 as reported would have provided $306.9 million in appropriations for the FTC in FY2017, or $35.1 million less than the budget request.[44] Of this amount, $166.9 million would have come from a direct appropriation, $125 million from HSR filing fees, and the remaining $15 million from DNC registry fees.

In its report on the bill, the Senate committee commented on two issues that fall within the FTC's jurisdiction: sports concussions and the contact lens rule. In the case of the former, the committee encouraged the FTC to "remain vigilant" in its efforts to identify and penalize deceptive or false claims made by manufacturers about the ability of protective youth sports equipment to reduce the risk of a concussion. The committee also directed the agency to review the findings of studies by the National Academy of Sciences on sports-related concussions in youth to ensure that they "inform" the FTC's efforts to protect consumers from false or deceptive advertising of this sort.

In the case of the contact lens rule, the committee urged the FTC to consider modifying the rule to give a higher priority to the safety of contact lens wearers, and to bolster the "enforcement mechanisms" aimed at stopping the sale of contact lenses based on expired or non-existent prescriptions.[45] In addition, the committee encouraged the FTC to work with the Centers for

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[40] H.Rept. 114-624, p. 62.

[41] The House and Senate Appropriations Committees rely on the Congressional Budget Office to estimate the HSR fees that the FTC collects in a year. By contrast, the FTC's budget request is based on its own estimate of those fees. In some years, such as FY2017, the estimates differ.

[42] American Hotel and Lodging Association, "New Study Reveals: Some 15 Million Online Bookings Are Scams by Rogue Websites," press release, September 29, 2015, at https://www.ahla.com/press-release/new-study-reveals-some-15-million-online-bookings-are-scams-rogue-websites.

[43] P.L. 104-208.

[44] S.Rept. 114-280, p. 83.

[45] Under the rule, a prescriber of contact lenses is required to give a patient a copy of his or her contact lens prescription

Disease Control and Prevention to distribute contact lenses safety information to the general public.

P.L. 115-31 appropriates $313.0 million in funding for FY2017, or $6.1 million more than the amount enacted for FY2016. Of that amount, $173 million comes from a direct appropriation, $125 million from HSR filing fees, and $25 million from DNC registry fees. The act (§621 of Title VI) bars the FTC from using any funds in FY2017 to complete its draft report on the marketing of food to children unless certain requirements are met.

General Services Administration[46]

The General Services Administration administers federal civilian procurement policies pertaining to the construction and management of federal buildings, disposal of real and personal property, and management of federal property and records. It is also responsible for managing the funding and facilities for former Presidents and presidential transitions.

GSA's real property activities are funded through the Federal Buildings Fund (FBF). The FBF is a revolving fund, into which rental payments are deposited from federal agencies that lease GSA space. The fund's revenue is then made available by Congress each year to pay for specific activities: construction or purchase of new space, repairs and alterations to existing space, rental payments for space that GSA leases, installment payments, and other building operations expenses. These amounts are referred to as *limitations* because GSA may not obligate FBF funds in excess of that permitted by Congress, regardless of how much revenue is available for obligation. Certain debts may also be paid for with FBF funds. A negative total for the FBF occurs when the amount of funds made available for expenditure in a fiscal year is less than the amount of new revenue expected to be deposited. A negative total does not mean that no funds are available from the FBF, only that there is a net gain to the fund under the proposed spending levels.

GSA's operating accounts are funded through direct appropriations, separate from the FBF. GSA's total funding amount is calculated by adding FBF funds made available and direct appropriations provided amounts. **Table 4** lists the FY2016-enacted amounts, President Obama's FY2017 request, the amounts in H.R. 5485 as passed by the House, in S. 3067 as reported, and in the enacted P.L. 115-31.

Table 4. General Services Administration Appropriations, FY2016-FY2017

(in millions of dollars)

Account	FY2016 Enacted	FY2017 Request	H.R. 5485	S. 3067	P.L. 115-31
Federal Buildings Fund	**388**	**0**	**-954**	**-800**	**-1,333**
Limitations on Availability of Revenue	10,196	10,178	9,225	9,378	-1,351
New Construction	*1,608*	*1,331*	505	*765*	*-1,402*
Repairs and Alterations	*735*	*842*	*759*	*633*	*-59*

at the end of an examination and fitting, even if the patient does not ask for it. If the patient wishes to buy contact lenses from a different provider, he or she may do so with that prescription. If the patient does not give the prescription to that provider, the provider must verify the prescription before selling any lenses. The rule was required by the Fairness to Contact Lens Consumers Act (P.L. 108-164).

[46] This section was authored by (name redacted).

Account	FY2016 Enacted	FY2017 Request	H.R. 5485	S. 3067	P.L. 115-31
Rental of Space	*5,579*	*5,656*	*5,625*	*5,646*	*49*
Building Operations	*2,274*	*2,351*	*2,336*	*2,335*	*61*
Rental Income to Fund	-9,808	-10,178	-10,178	-10,178	-371
Operating Accounts	**254**	**362**	**248**	**252**	**254**
Government-wide Policy	58	65	58	60	60
Operating Expenses	49	50	48	59	59
Civilian Board Contract Appeals	9	9	9	—	—
Office of Inspector General	65	66	65	65	65
Expenses, Presidential Transition	—	10	10	10	10
Federal Citizens Services Fund	56	58	56	56	56
Former Presidents	3	4	2	4	4
Information Technology Modernization Fund	—	100	—	—	—
Total	**642**	**362**	**-706**	**-548**	**-1,095**

Sources: House amounts from H.R. 5485 as passed by the House and H.Rept. 114-624; FY2016 enacted, FY2017 request, and Senate amounts from S.Rept. 114-280; and FY2017 enacted from P.L. 115-31.

As shown in **Table 4**, President Obama proposed a limit of $10.2 billion from the FBF's available revenue for GSA's real property activities for FY2017, approximately the same amount that was provided in FY2016. The President also requested $362 million for GSA's operating accounts, an increase of $108 million above the FY2016-enacted level.

The GSA account in H.R. 5485 was amended several times on the House floor, with ultimately a total of approximately $19.9 million redirected from the FBF to other accounts. H.R. 5485 as passed by the House would make $9.2 billion from the FBF available to GSA for FY2017. The limitation would have been $954 million less than the request and $971 million below the amount provided for FY2016. The House-passed bill would have provided $248 million for GSA's operating accounts, $114 million less than the request and $6 million less than was provided for FY2016.

The Senate Appropriations Committee bill would have made available $9.4 billion from the FBF to GSA for FY2017, $800 million less than President Obama's request and $818 million below the amount provided for FY2016. S. 3067 as reported would have provided $252 million for GSA's operating accounts, $110 million less than the President requested and $2 million below the FY2016-enacted level.

P.L. 115-31 makes $8.8 billion available from the FBF to GSA for FY2017, $1.3 billion less than President Obama's request and $1.7 billion below the amount provided for FY2016. It provides $254 million for GSA's operating accounts, $108 million less than the President requested and the same as the FY2016-enacted level.

Independent Agencies Related to Personnel Management Appropriations

The FSGG appropriations bill includes funding for four agencies with personnel management functions: the Federal Labor Relations Authority (FLRA), the Merit Systems Protection Board (MSPB), the Office of Personnel Management (OPM), and the Office of Special Counsel (OSC). **Table 5** lists the FY2016-enacted amounts, President Obama's FY2017 request, the amounts from H.R. 5485, as passed by the House, and S. 3067, as reported by the Senate Committee on Appropriations, and the FY2017-enacted amounts.

Table 5. Independent Agencies Related to Personnel Management Appropriations, FY2016-FY2017

(in millions of dollars)

Agency	FY2016 Enacted	FY2017 Request	H.R. 5485	S. 3067	P.L. 115-31
Federal Labor Relations Authority	$26	$27	$27	$26	$26
Merit Systems Protection Board total	47	47	47	47	47
Salaries and Expenses	*44*	*45*	*45*	*44*	*45*
Limitation on Administrative Expenses	*2*	*2*	*2*	*2*	*2*
Office of Personnel Management total	21,108	21,537	21,534	21,491	21,504
Salaries and Expenses	*121*	*145*	*145*	*121*	*119*
Limitation on Administrative Expenses	*125*	*145*	*142*	*125*	*140*
Office of Inspector General (salaries and expenses)	*4*	*5*	*5*	*5*	*5*
Office of Inspector General (limitation on administrative expenses)	*22*	*27*	*27*	*25*	*25*
Government Payments for Annuitants, Employee Health Benefits (mandatory, Title VI)	*11,806*	*12,699*	*12,699*	*12,699*	*12,699*
Government Payments for Annuitants, Employee Life Insurance (mandatory, Title VI)	*55*	*47*	*47*	*47*	*47*
Payment to Civil Service Retirement and Disability Fund (mandatory, Title VI)	*8,975*	*8,469*	*8,469*	*8,469*	*8,469*
Office of Special Counsel	$24	$27	$27	$24	$25

Sources: P.L. 114-113 and Explanatory Statement, H.R. 5485, H.Rept. 114-624, S. 3067, S.Rept. 114-280, P.L. 115-31 and Explanatory Statement, and FY2017 Congressional Justifications of the respective agencies.

Notes: All figures are rounded, and columns may not sum due to rounding. The amounts for Government Payments for Annuitants, Employee Health Benefits, and Payment to Civil Service Retirement and Disability Fund are in billions.

The payments for health benefits, life insurance, and civil service retirement and disability are mandatory appropriations. Appropriations bills have generally provided "the amounts required under current law" for these accounts with FY2017 House and Senate measures containing this language. For FY2017 (as in FY2012, FY2013, FY2014, in the House bill and FY2015 and FY2016, in the House and Senate bills), the House and Senate Appropriations Committees did not include funding for these accounts in Title V of the FSGG bill, as it had in previous years. Instead, funding for these accounts appeared in Title VI of the respective bills (§619 of H.R. 5485 [FY2017], S. 3067 [FY2017], and P.L. 115-31).

Federal Labor Relations Authority[47]

The Federal Labor Relations Authority (FLRA) is an independent federal agency that administers and enforces Title VII of the Civil Service Reform Act of 1978.[48] Title VII is called the Federal Service Labor-Management Relations Statute (FSLMRS). The FSLMRS gives federal employees the right to join or form a union and to bargain collectively over the terms and conditions of employment. Employees also have the right not to join a union that represents employees in their bargaining unit. The statute excludes specific agencies and gives the President the authority to exclude other agencies for reasons of national security.[49] Agencies that are specifically excluded by law are the Federal Bureau of Investigation (FBI), Central Intelligence Agency (CIA), Government Accountability Office (GAO), National Security Agency (NSA), Tennessee Valley Authority (TVA), FLRA, Federal Service Impasses Panel (FSIP), and the Secret Service.

The FLRA is composed of a three-member authority, the Office of General Counsel, and the FSIP. The three members of the authority and the General Counsel are appointed to five-year terms by the President with the advice and consent of the Senate. The members of the FSIP are appointed by the President without Senate confirmation.

The authority resolves disputes over the composition of bargaining units, charges of unfair labor practices, objections to representation elections, and other matters. The General Counsel's office conducts representation elections, investigates charges of unfair labor practices, and manages the FLRA's regional offices. The FSIP resolves labor negotiation impasses between federal agencies and labor organizations.

For FY2017, President Obama requested appropriations of $27.1 million for the FLRA. This amount would fund 138 FTEs, the same as the FY2016-estimated level.[50]

The House-passed bill would have provided appropriations of $26.6 million, $431,000 less than President Obama's request. The Senate-reported bill would have provided appropriations of $26.2 million, $862,000 less than the request. P.L. 115-31 appropriates $26.2 million for the FLRA.

Merit Systems Protection Board[51]

The Merit Systems Protection Board (MSPB) is an independent, quasi-judicial agency established to protect the civil service merit system.[52] The MSPB adjudicates appeals primarily involving personnel actions, certain federal employee complaints, and retirement benefits issues.

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[47] This section authored by (name redacted).

[48] P.L. 95-454.

[49] 5 U.S.C. §7103.

[50] U.S. Federal Labor Relations Authority, *Congressional Budget Justification Fiscal Year 2017*, February 9, 2016, p. 15.

[51] This section authored by (name redacted).

[52] The Merit Systems Protection Board's (MSPB's) authorization expired on September 30, 2007 (5 U.S.C. §5509). The House Committee on Oversight and Government Reform conducted a hearing on MSPB, Office of Government

The Obama Administration requested FY2017 appropriations of $47.4 million (including $45.1 million for salaries and expenses [S&E]) for the MSPB. This amount would fund 235 FTEs, a decrease of 13 FTEs from the FY2016-enacted level of 248 FTEs. The justification that accompanied the MSPB budget submission explained that the request would "fund the anticipated FY2017 pay raise" and continue the agency's "efforts towards developing and maintaining the hosted planned data center migration and electronic adjudication projects addressing [MSPB's] informational technology (IT) infrastructure needs."[53]

The House-passed bill would have provided appropriations of $47.1 million (including $44.8 million for S&E), $297,000 less than President Obama's request. Section 1205 of the House-passed bill would have prohibited funds from being used with respect to the case *Rainey v. Merit Systems Protection Board*.[54] The Senate-reported bill would have appropriated $46.8 million (including $44.5 million for S&E) for the MSPB, $593,000 less than President Obama's request. P.L. 115-31 appropriates $47.1 million as in the House-passed bill.

Office of Personnel Management[55]

The Office of Personnel Management (OPM) is responsible for the federal government's personnel management of the civil service. The Obama Administration requested FY2017 appropriations of almost $145 million for OPM salaries and expenses. This amount included funding of (1) $37 million to remain available until expended for information technology (IT) infrastructure modernization and (2) $391,000 to strengthen the capacity and capabilities of the acquisition workforce, including its recruitment, hiring, training, and retention and IT in support of acquisition workforce effectiveness and management.[56] The budget also requested almost $145 million for trust fund transfers, $5.1 million for OIG salaries and expenses, and $26.9 million for OIG trust fund transfers for FY2017.[57] OPM requested an employment level of 6,191 FTEs for FY2017, an increase of 207 FTEs above the FY2016-enacted level of 5,984 FTEs.[58]

The agency's budget submission stated that the request

> will permit OPM programs to prioritize their activities in support of the OPM strategic plan for FY 2014-2018 [and] enable OPM to implement and sustain agency network upgrades and security software maintenance to ensure a stronger, more reliable and protected OPM network architecture, [including] critical support to defend the OPM IT network against

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Ethics, and Office of Special Counsel Reauthorization on December 16, 2015. The hearing is at https://oversight.house.gov/hearing/merit-systems-protection-board-office-of-government-ethics-and-office-of-special-counsel-reauthorization/.

53 U.S. Merit Systems Protection Board, *Congressional Budget Justification FY2017*, February 9, 2016, p. 1.

54 U.S. Court of Appeals for the Federal Circuit; No. 2015–3234, decided on June 7, 2016, at http://www.cafc.uscourts.gov/sites/default/files/opinions-orders/15-3234.Opinion.6-3-2016.1.PDF. An en bloc amendment (H.Amdt. 1246) to H.R. 5485 offered by Rep. Ander Crenshaw and agreed to by voice vote on July 7, 2016, included this provision. The en bloc amendment included an amendment, no. 27 on this matter, offered by Rep. Sean Duffy that had been made in order by the House Committee on Rules in H.Rept. 114-639 on the rule that accompanied the bill.

55 This section authored by (name redacted).

56 OMB, *Appendix, Budget of the United States, FY2017*, p. 1201.

57 Of this amount, $6 million was to remain available until expended for coordination of Federal Employees' Retirement System disability benefits with the Social Security Administration. OMB, *Appendix, Budget of the United States, FY2017*, p. 1201.

58 U.S. Office of Personnel Management (OPM), *Congressional Budget Justification FY2017*, February 9, 2016, p. 10.

cybersecurity incidents, and positions OPM to maintain the ongoing critical updates initiated in 2014.[59]

In addition, the budget will allow the OIG to "continue its audits and investigations of OPM programs, including the FEHBP [Federal Employees Health Benefits Program] and retirement trust fund programs, OPM revolving fund programs, and OPM financial statement oversight and other program areas" and "will continue to advance its prescription drug audit program" and the "FEHBP claims data warehouse initiative." The OIG will also "provide oversight through all phases" of the agency's IT infrastructure project.[60]

The House-passed bill would have appropriated almost $145 million for OPM salaries and expenses, $141.6 million for trust fund transfers, $5.1 million for OIG salaries and expenses, and $26.7 million for OIG trust fund transfers.[61] The OPM salaries and expenses trust fund transfer amount was $3 million less than President Obama's request, and the OIG trust fund transfers amount was $200,000 less than President Obama's request. The other amounts were the same as that request. The bill would require the Comptroller General to submit a report to the House and Senate Appropriations Committees within six months after the act's enactment that

- evaluates OPM's steps taken to prevent, mitigate, and respond to data breaches involving sensitive personnel records and information; cybersecurity policies and procedures in place on this act's enactment date, including policies and procedures relating to IT best practices such as data encryption, multifactor authentication, and continuous monitoring; oversight of contractors providing IT services; and compliance with government-wide initiatives to improve cybersecurity; and
- sets forth improvements that could be made to assist OPM in addressing cybersecurity challenges.[62]

The Senate-reported bill would have appropriated $120.7 million for OPM salaries and expenses, $124.6 million for trust fund transfers, $5.1 million for OIG salaries and expenses, and $25.1 million for OIG trust fund transfers.[63] The OPM salaries and expenses amount was $24.2 million less, the trust fund transfers amount was $20.1 million less, and the OIG trust fund transfers amount was $1.6 million less than President Obama's request.

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[59] OMB, *Appendix, Budget of the United States, FY2017*, p. 1201.

[60] OMB, *Appendix, Budget of the United States, FY2017*, p. 1203.

[61] Of this amount, up to $37 million was to remain available until September 30, 2018, to operate and strengthen the security of OPM legacy and Shell environment IT systems and their modernization, migration, and testing. The amount may not be obligated until the OPM Director submits an expenditure plan, prepared in consultation with the OMB Director, the Administrator of the United States Digital Service, and the Secretary of Homeland Security, to the House and Senate Appropriations Committees. The House-passed bill specified the contents and requirements for the expenditure plan. In addition, of the almost $145 million, $391,000 would have been provided to strengthen the capacity and capabilities of the acquisition workforce.

[62] The Senate committee encouraged OPM's Inspector General to include in the semiannual report to Congress information on "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." S.Rept. 114-280, p. 101.

[63] Of this amount, $21 million was to remain available until expended for information technology infrastructure modernization, and $391,000 was provided to strengthen the capacity and capabilities of the acquisition workforce.

The committee reports on H.R. 5485 and S. 3067 included several directives from the House and Senate Appropriations Committees to OPM as follows:

- Federal retirement process modernization—The House committee directed OPM to continue to make retirement processing a priority and move to a fully automated electronic filing system and continue to provide monthly reports to both appropriations committees on progress in addressing backlogs. The Senate committee directed the agency to continue to provide reports on modernization efforts and the strategic technology plan, including developments, milestones, and future plans.
- Information technology—The House committee directed OPM to continue to take steps to secure personally identifiable information and material related to security clearances and continue upgrades to IT security. The Senate report directed OPM to keep the committee informed about the status of future contracts and encouraged the agency to carry out project planning as required by the Office of Management and Budget (OMB), stating that significant concerns remain, including the agency's OIG findings on OPM's capital planning practices, contract procurement and management, and total cost of the IT infrastructure modernization project.[64] The committee encouraged OPM's Inspector General to continue monitoring the agency's improvements to technology infrastructure and overseeing contracting and procurement practices.
- National Background Investigations Bureau (NBIB)[65]—The House committee directed OPM to provide quarterly progress reports to both appropriations committees on the NBIB implementation plan, timeline, and milestones; costs for each phase; governance, resource management, and accountability policies between OPM and the Department of Defense; and a human capital plan. The OPM OIG must report to the appropriations committees, within 12 months after the act's enactment, on NBIB implementation, transition of staff from the Federal Investigative Services and future staffing needs, current and future costs, governance and accountability structure, and recommendations. Stating that the "committee is concerned that the creation of NBIB amounts to little more than a new name for FIS [Federal Investigative Services] despite the need for more comprehensive reforms to the background investigations process,"[66] the Senate report directed GAO to monitor developments related to the NBIB and report to the committees on the transition, operation, and oversight of the NBIB within six months after the act's enactment.
- Critical OPM functions—The House committee directed OPM to fulfill functions critical to the agency's mission, including recruitment, retention, and development of the federal workforce.

[64] Memorandum for Beth F. Cobert, Acting Director, from Norbert E. Vint, Acting Inspector General, "Second Interim Status Report on the U.S. Office of Personnel Management's (OPM) Infrastructure Improvement Project – Major IT Business Case (Report No. 4A-CI-00-16-037)," May 18, 2016, at https://www.opm.gov/our-inspector-general/reports/2016/second-interim-status-report-on-the-us-office-of-personnel-managements-opm-infrastructure-improvement-project-major-it-business-case-4a-ci-00-16-037.pdf.

[65] The Obama Administration announced that the National Background Investigations Bureau (NBIB) would absorb Federal Investigative Services at OPM. (The White House, "The Way Forward for Federal Background Investigations," January 22, 2016, at https://www.whitehouse.gov/blog/2016/01/22/way-forward-federal-background-investigations.) According to the Senate committee report, "Under the planned structure, NBIB will be housed within OPM while security of background investigation data will be transferred to the Department of Defense." S.Rept. 114-280, p. 99.

[66] S.Rept. 114-280, p. 99.

- Recruitment—The House committee directed OPM to seek feedback on and improve the recruitment process, explore and implement policies to reduce barriers to federal employment, reduce delays in the hiring process, and increase recruitment within the United States, the territories, and at Hispanic Serving Institutions and Historically Black Colleges and Universities.
- CyberCorps Scholarship for Service Program—The House committee directed OPM to report to the House and Senate Appropriations Committees, the House Permanent Select Committee on Intelligence, and the Senate Select Committee on Intelligence, within 90 days after the act's enactment, on steps being taken to improve the hiring of CyberCorps graduates.
- Domestic Violence, Sexual Assault, and Stalking—The House committee directed OPM to report, within 180 days after the act's enactment, on the impact of its Guidance for Agency-Specific Domestic Violence, Sexual Assault, and Stalking on federal agency leave policies for employees. [67] The report must include a comprehensive summary of agency leave policies in a 12-month period and agency safety precaution policies for survivors of such abuse and a list of agencies that have not yet submitted final policies or are not actively implementing the OPM guidance.

P.L. 115-31 provides appropriations of $119 million for OPM salaries and expenses, $140 million for trust fund transfers, $5.1 million for OIG salaries and expenses, and $25.1 million for OIG trust fund transfers. The OPM salaries and expenses amount is $25.9 million less, the trust fund transfers amount is almost $4.7 million less, and the OIG trust fund transfers amount is almost $1.6 million less than President Obama's request. P.L. 115-31 did not include the requirement in H.R. 5485 as passed by the House for a Comptroller General Report on OPM cybersecurity.

The Explanatory Statement stated that the law provides $11 million to improve information technology (IT) security and infrastructure. The statement directed OPM to provide quarterly briefings to the House and Senate Committees on Appropriations on progress on the "infrastructure improvement project to increase network security and migrate legacy systems, including the Consolidated Business Information Systems."[68] Before obligating the funds, OPM is to consult with the Office of Management and Budget, the U.S. Digital Service, and the Department of Homeland Security on the expenditure plan and the modernization project. The OPM IG is to review and comment on the plan. The Explanatory Statement also directed OPM to report on increases in customer service staff for Retirement Services, including the handling rate for telephone calls and electronic mail and the average processing time, within 180 days after the act's enactment. The Explanatory Statement did not contradict any of the directions from the individual committee reports.

Section 619(a) (3), (4), and (5) of the House-passed and Senate-reported bills and P.L. 115-31 provided the mandatory appropriations for the health benefits, life insurance, and retirement accounts. According to the Explanatory Statement, "These are accounts where authorizing language requires the payment of funds." The report stated that the Congressional Budget Office estimated the following costs: $12.7 billion for the Government Payment for Annuitants, Employee Health Benefits; $47.0 million for the Government Payment for Annuitants, Employee

[67] OPM, *Guidance for Agency-Specific Domestic Violence, Sexual Assault, and Stalking Policies,* February 2013, at https://www.opm.gov/policy-data-oversight/worklife/reference-materials/guidance-for-agency-specific-dvsas-policies.pdf.

[68] Explanatory Statement, p. H3785.

Life Insurance; and $8.469 billion for Payment to the Civil Service Retirement and Disability Fund.[69]

Section 623 of the Senate-reported bill would have continued a provision on conflicts of interest by preventing contractors from conducting final quality reviews of their own work performing security clearance background investigations. P.L. 115-31 includes the same provision.

Office of Special Counsel[70]

The Office of Special Counsel (OSC) is an independent federal investigative and prosecutorial agency whose mission is to safeguard the merit system by protecting federal employees and applicants from prohibited personnel practices, especially reprisal for whistleblowing.[71] The Obama Administration requested FY2017 appropriations of $26.5 million for the OSC. The agency's FTE employment level was estimated to be 155 for FY2017, an increase of 15 FTEs above the FY2016-estimated level of 140 FTEs.[72] The budget submission projected that whistleblower disclosure, Hatch Act of 1939, and prohibited personnel practice cases would continue to increase in 2016 and 2017. The requested funding was said to "enable OSC to meet rising demand for [the agency's] services, protect the growing number of whistleblowers in the VA and other agencies, protect the employment rights of returning service members, manage continually rising case levels, and protect the federal merit system from prohibited personnel and political practices."[73]

The House-passed bill would have appropriated $26.5 million, the same amount as President Obama's request.[74] The Senate-reported bill would have appropriated $24.1 million, $2.4 million less than the request. The report that accompanied the bill expressed the Senate committee's continuing concern that, despite receiving a 34% budget increase over the past three years, OSC "has not adequately invested in IT equipment, services, and staffing [and] failed to develop policies and procedures consistent with FISMA requirements, OMB policy, and NIST guidelines." The committee directed the agency to make information security a priority and to report "on its plan to increase the security and resiliency of the agency's systems and ensure compliance with Federal guidelines" within 90 days of the act's enactment.[75] The report also

[69] Explanatory Statement, p. H3786.

[70] This section authored by (name redacted).

[71] The Office of Special Counsel's (OSC's) authorization expired on September 30, 2007 (5 U.S.C. §5509). Section 2 of H.R. 69, Thoroughly Investigating Retaliation Against Whistleblowers Act, as passed by the House of Representatives by voice vote on January 4, 2017, would reauthorize the OSC through 2021. Section 13 of S. 582, the Office of Special Counsel Reauthorization Act of 2017, as reported by the Senate Committee on Homeland Security and Governmental Affairs on May 18, 2017, would reauthorize the OSC through 2022. The House Committee on Oversight and Government Reform conducted a hearing on MSPB, Office of Government Ethics, and Office of Special Counsel Reauthorization on December 16, 2015. The hearing is at https://oversight.house.gov/hearing/merit-systems-protection-board-office-of-government-ethics-and-office-of-special-counsel-reauthorization/.

[72] OSC, *Congressional Budget Justification and Performance Budget Goals Fiscal Year 2017*, February 2016, p. 20.

[73] OMB, *Appendix, Budget of the United States, FY2017*, p. 1328.

[74] H.R. 5485, as reported by the House Committee on Appropriations, would have appropriated $25.7 million for the OSC, or $800,000 less than the request. An en bloc amendment (H.Amdt. 1246) offered by Rep. Ander Crenshaw and agreed to by voice vote on July 7, 2016, increased the committee-recommended amount by $800,000. The en bloc amendment included an amendment, no. 62 on this matter, offered by Rep. Kathleen Rice that had been made in order by the House Committee on Rules in H.Rept. 114-639 on the rule that accompanied the bill.

[75] S.Rept. 114-280, pp. 102-103.

expressed the committee's belief that "OSC should apply its budget proportionally with the percentage of cases that it receives from the VA."[76]

P.L. 115-31 provides appropriations of $24.8 million, almost $1.8 million less than President Obama's request.

National Archives and Records Administration

President Obama requested $392.9 million for the National Archives and Records Administration (NARA) for FY2017, a $1.8 million increase from NARA's FY2016 appropriation of $391.1 million.[77] The Senate bill matched the FY2017 request, whereas the House-passed bill would have appropriated an additional $1 million for the National Historic Publication and Records Commission (NHPRC).[78]

In report language to accompany S. 3067, the Senate committee directed NARA officials to "institute, maintain, and enforce effective inventory controls and adequate levels of security" within their facilities.[79] Additionally, the committee "strongly urges" NARA to "ensure effective and efficient preservation, appraisal, scheduling, and routine transfer of electronic records by Federal agencies."[80] This provision coincides with guidance from the Office of Management and Budget and NARA that requires executive branch agencies to manage all email in an accessible electronic format by December 31, 2016.[81] The Senate report also included a requirement for NARA to write a report within 90 days of the appropriations bill's enactment that details NARA's "progress" on its initiative "to digitize and preserve physical access to archival records that have been or will be relocated to another State by any facility closure" occurring between FY2014 and FY2016.[82]

The House committee also included additional requirements in its report language to accompany H.R. 5485. Among these were provisions encouraging NARA to examine how private-sector entities have cost effectively developed suitable records storage facilities.[83] The House report also directed NARA to report to both appropriations committees by April 30, 2017, on activities and spending related to the presidential transition to a new Administration.[84]

P.L. 115-31 appropriates $380.6 million for NARA and the explanatory statement did not contradict the report language from either the House or Senate committees.

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[76] S.Rept. 114-280, p. 103. The report stated that "approximately 37 percent of all OSC cases in 2015 were from Department of Veterans Affairs," almost double the amount of such cases in 2009 through 2011.

[77] OMB, *Appendix, Budget of the United States, FY2017*, pp. 1306-1307.

[78] These amounts are greater than those in the summary tables of the House and Senate Committee reports due to the accounting treatment of the repayment of principal on the construction of the Archives II facility.

[79] S.Rept. 114-280, p. 94.

[80] Ibid.

[81] See OMB and National Archives and Records Administration (NARA), "Managing Government Records Directive," M-12-18, August 24, 2012, at https://www.whitehouse.gov/sites/default/files/omb/memoranda/2012/m-12-18.pdf.

[82] S.Rept. 114-280, p. 94.

[83] H.Rept. 114-624, p. 73.

[84] Ibid.

National Credit Union Administration[85]

The National Credit Union Administration (NCUA) is an independent federal agency funded largely by the credit unions that the agency charters, insures, and regulates. The NCUA manages the Community Development Revolving Loan Fund (CDRLF). Established in 1979, the CDRLF assists 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 five years, although shorter repayment periods may be considered. Technical assistance grants are also available to low-income credit unions. Earnings generated from the CDRLF are available to fund technical assistance grants in addition to funds provided for specifically in appropriations acts. Grants are available for improving operations as well as addressing safety and soundness issues. The Obama Administration requested, and H.R. 5485 and S. 3067 would have appropriated, $2 million for the CDRLF. P.L. 115-31 includes $2 million as requested.

Office of Government Ethics[86]

The Office of Government Ethics (OGE) is an independent federal agency, established by the Ethics in Government Act of 1978, charged with promulgating rules and regulations pertaining to financial disclosure, conflict of interest, and ethics in the executive branch. [87]

OGE is headed by a director who is appointed to a five-year term by the President with Senate confirmation. According to its website, OGE provides education and training to executive branch ethics officials. "OGE does not adjudicate complaints, investigate matters within the jurisdiction of Inspectors General and other authorities, or prosecute ethics violations."[88]

For FY2017, President Obama's request for OGE was $16.1 million, a $348,000 increase over FY2016. H.R. 5485 as passed by the House and S. 3067 would have appropriated the full request. P.L. 115-31 appropriates $16.1 million as requested.

Privacy and Civil Liberties Oversight Board[89]

The Privacy and Civil Liberties Oversight Board (PCLOB) was originally established by the Intelligence Reform and Terrorism Prevention Act of 2004[90] as an agency within the Executive Office of the President.[91] PCLOB was reconstituted as an independent agency within the executive branch by the Implementing Recommendations of the 9/11 Commission Act of 2007.[92] The five-member board assumed its new status on January 30, 2008; its FY2009 appropriation was its first funding as an independent agency.

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[85] For more information on the National Credit Union Administration (NCUA) and credit unions, see CRS Report R41718, *Federal Deposit Insurance for Banks and Credit Unions*, by (name redacted), and CRS Report R43167, *Policy Issues Related to Credit Union Lending*, by (name redacted).

[86] This section authored by Jacob Straus.

[87] 5 U.S.C. Appendix §§401-408.

[88] Office of Government Ethics (OGE), "Mission & Responsibilities," *About*, http://www.oge.gov/About/Mission-and-Responsibilities/Mission—Responsibilities.

[89] This section was authored by (name redacted).

[90] P.L. 108-458.

[91] 118 Stat. 3638 at 3684.

[92] P.L. 110-53; 121 Stat. 266 at 352.

The board is to (1) ensure that privacy and civil liberties concerns are appropriately considered in the development and implementation of laws, regulations, and executive branch policies related to efforts to protect the nation against terrorism; (2) review the implementation of laws, regulations, and executive branch policies related to efforts to protect the nation from terrorism, including information sharing guidelines; and (3) analyze and review actions the executive branch takes to protect the nation from terrorism, ensuring that the need for such actions is balanced with the need to protect privacy and civil liberties. In addition, the board is to (1) advise the President and the heads of executive branch departments and agencies on issues concerning, and findings pertaining to, privacy and civil liberties and (2) provide annual reports to Congress detailing its activities during the year, and upon request, have board members appear and testify before congressional committees.

For FY2017, the Obama Administration requested $10.1 million for the PCLOB, $11.2 million less than was provided in FY2016. H.R. 5485 as passed by the House would have appropriated the requested amount following an amendment on the House floor that increased the amount by $1.78 million. S. 3067 as reported would have appropriated $10.1 million as requested. P.L. 115-31 includes $10.1 million for the PCLOB.

Securities and Exchange Commission[93]

The SEC administers and enforces federal securities laws to protect investors from fraud, ensure that sellers of corporate securities disclose accurate financial information, and maintain fair and orderly trading markets. The SEC's budget is set through the normal appropriations process, but, under the Dodd-Frank Act, the agency's appropriations are offset by fees it collects from securities exchanges on stock sales and certain other securities transactions on those exchanges. The collections go directly to the Department of the Treasury. To achieve the offset, the act requires the agency to adjust its fees' rates, making the agency's budget deficit-neutral.

For FY2017, President Obama requested that the agency be funded at $1.78 billion, compared with the FY2016-enacted level of $1.61 billion. H.R. 5485 as passed by the House would have appropriated $1.56 billion, and S. 3067 as reported would have appropriated $1.605 billion. P.L. 115-31 appropriates $1.605 for the SEC for FY2017.

In addition to amounts approved in the regular appropriations process, the Dodd-Frank Act also established an SEC reserve fund to enable the agency to plan for certain long-term expenses, potentially freeing up other funds for agency use in areas such as enforcement and regulation. The reserve fund is funded by the agency's traditional collections on registration fees. In any single fiscal year, the SEC may not collect more than $50 million in fees for the reserve fund, and it cannot exceed more than $100 million. Excess collections go to the Department of the Treasury.

In FY2016, $25 million was rescinded from the SEC reserve fund. For FY2017, H.R. 5485 as passed by the House would have rescinded the entire amount in the fund, $75 million according to the House report.[94] S. 3067 as reported contained no reserve fund rescission. P.L. 115-31 rescinds $25 million from the fund.

[93] This section authored by (name redacted).

[94] H.Rept. 114-624, p. 372.

Selective Service System[95]

The Selective Service System (SSS) is an independent federal agency operating with permanent authorization under the Military Selective Service Act.[96] It is not part of the Department of Defense, but its mission is to serve the emergency manpower needs of the military by conscripting personnel when directed by Congress and the President. Most males aged 18 through 25 and living in the United States are required to register with the SSS. The induction of men into the military via Selective Service (i.e., the draft) terminated in 1973 and has not been renewed. In January 1980, President Carter asked Congress to authorize standby draft registration of both men and women. Congress approved funds for male-only registration in June 1980. Women are now allowed to serve in combat units and occupations, which may lead to the modification of registration to include women.[97] The FY2017 National Defense Authorization Act (P.L. 114-328) established the National Commission on Military, National, and Public Service. Part of the commission's mandate is to conduct a review of the Selective Service System and processes, and whether it should continue to exist in any form.

Funding of the SSS has remained relatively stable over the years in terms of absolute dollars, but has decreased in terms of inflation-adjusted funding. For FY2017, the President requested and the Senate bill would have appropriated $22.9 million, whereas H.R. 5485 would have appropriated $22.7 million. P.L. 115-31 appropriates $22.9 million.

Small Business Administration[98]

The Small Business Administration (SBA) administers a number of programs intended to assist small businesses. For example, the SBA (1) guarantees loans made by banks and other financial institutions to small businesses; (2) makes low-interest loans to small businesses, nonprofit organizations, and households that are victims of natural disasters and acts of terrorism; (3) finances training and technical assistance programs for small business owners and prospective owners; and (4) serves as an advocate for small business within the federal government.

The SBA request for FY2017 totaled $877.9 million, $6.9 million more than was appropriated in FY2016. The request included $275 million for salaries and expenses, $230.6 million for entrepreneurial development/non-credit programs, $152.7 million for business loan administration, $4.3 million for business loan subsidy costs, $19.9 million for the Office of the Inspector General, $9.3 million for the Office of Advocacy, and $186 million for disaster assistance. The Obama Administration also requested authorization levels of $27 billion for the 7(a) loan guaranty program, $7.5 billion for the 504/CDC loan guaranty program, $4.0 billion for the Small Business Investment Company program, and $12 billion for trust certificates.[99]

H.R. 5485 as passed by the House would have appropriated $883.4 million for the SBA for FY2017, $5.5 million more than the Obama Administration's request. Of this amount, $268

[95] This section authored by Kristy Kamarck.

[96] 50 U.S.C. §3801 et seq.

[97] For more details on recent authorization legislation see "Selective Service" in CRS Report R44577, *FY2017 National Defense Authorization Act: Selected Military Personnel Issues*, by (name redacted) et al. For more information on women in combat, see CRS Report R42075, *Women in Combat: Issues for Congress*, by (name redacted) .

[98] This section authored by Robert Dilger and (name redacted). For additional information concerning the SBA's programs see CRS Report RL33243, *Small Business Administration: A Primer on Programs and Funding*, by (name redacted) and (name redacted). For additional information concerning the SBA's budget see CRS Report R43846, *Small Business Administration (SBA) Funding: Overview and Recent Trends*, by (name redacted) .

[99] OMB, *Appendix, Budget of the United States, FY2017*, pp. 1213-1223.

million ($7 million less than the request) was for salaries and expenses, and $243.1 million ($12.5 million more than the request) was for entrepreneurial development/non-credit programs. The remaining budget account amounts would have followed the request.

The House bill included authorization levels of $28.5 billion for the 7(a) loan guaranty program, $7.5 billion for the 504/CDC loan guaranty program, $4.0 billion for the Small Business Investment Company program, and $12 billion for trust certificates.

S. 3067 as reported would have appropriated $871.2 million for the SBA for FY2017, $6.7 million less than the Obama Administration's request. The Senate committee bill would have reduced the Obama Administration's request for salaries and expenses by $7.0 million (to $268 million) and increase the Administration's request for entrepreneurial development/non-credit programs by $0.5 million.

P.L. 115-31 appropriates $886.8 million for the SBA for FY2017, $15.8 million more than in FY2016. The act includes $269.5 million for salaries and expenses, $245.1 million for entrepreneurial development and noncredit programs, $152.7 million for administrative expenses related to the SBA's business loan programs, $4.3 million for business loan credit subsidies (for the Microloan program), $19.9 million for Office of Inspector General, $9.2 million for the Office of Advocacy, and $186.0 million for disaster assistance.

The act provides authorization levels of $27.5 billion for the 7(a) loan guaranty program, $7.5 billion for the 504/CDC loan guaranty program, $4.0 billion for the Small Business Investment Company program, and $12 billion for trust certificates. It also rescinds $55 million in unobligated balances available for the 504/CDC loan guaranty program.

United States Postal Service[100]

The U.S. Postal Service (USPS) generates almost all of its funding—nearly $69 billion annually—by charging mail users for the costs of the services it provides.[101] Congress, however, does provide annual appropriations to compensate USPS for revenue it forgoes in providing free mailing privileges to the blind[102] and overseas voters.[103] Congress authorized appropriations for these purposes in the Revenue Forgone Reform Act (RFRA).[104] This act also permitted Congress to provide USPS with a $29 million annual reimbursement until 2035 to compensate for lost revenue providing additional below-cost postal services during the RFRA's phase-in period.[105]

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[100] This section was authored by Michelle Christensen. Also see CRS Report RS21025, *The Postal Revenue Forgone Appropriation: Overview and Current Issues*, by (name redacted) (This author has left CRS. For questions about this topic, congressional clients may contact (name redacted) .)

[101] U.S. Postal Service (UPSP), *2015 Annual Report, SEC Form 10-K*, November 13, 2015, p. 12, at http://about.usps.com/who-we-are/financials/10k-reports/fy2015.pdf.

[102] 84 Stat. 757; 39 U.S.C. §3403. See also USPS, *Mailing Free Matter for Blind and Visually Handicapped Persons: Questions and Answers*, Publication 347 (Washington: USPS, May 2005), http://www.usps.com/cpim/ftp/pubs/pub347.pdf.

[103] Members of the Armed Forces and U.S. citizens who live abroad are eligible to register and vote absentee in federal elections under the provisions of the Uniformed and Overseas Citizens Absentee Voting Act of 1986 (42 U.S.C. §1973ff-ff-6).

[104] P.L. 103-123, Title VII; 107 Stat. 1267; 39 U.S.C. §2401(c)-(d). Also see CRS Report RS21025, *The Postal Revenue Forgone Appropriation: Overview and Current Issues*, by (name redacted) (This author has left CRS. For questions about this topic, congressional clients may contact (name redacted).)

[105] Ibid. During the phase-in period—1991 to 1998—the USPS continued to provide below-cost postage to certain mailers (e.g., nonprofit organizations). Also see USPS, *2015 Annual Report, SEC Form 10-K*, November 13, 2015, p. 57.

Funds appropriated to the USPS for the annual reimbursement and revenue forgone are deposited in the Postal Service Fund, which is a revolving fund at the Department of the Treasury that is used to pay the operating expenses of USPS, the U.S. Postal Service Office of Inspector General (USPSOIG), and the Postal Regulatory Commission (PRC).[106]

The Postal Accountability and Enhancement Act (PAEA), which was enacted on December 20, 2006, first affected the postal appropriations process in FY2009.[107] Under the PAEA, both the USPSOIG and the PRC must submit their budget requests directly to Congress and to OMB.[108] The law requires that funding for these two agencies must be provided out of the Postal Service Fund.[109] The law further requires that USPSOIG's budget be treated as a component of USPS's budget, whereas the PRC's budget, like the budgets of other independent regulators, is treated separately.[110] **Table 6** below summarizes the different appropriations for the USPS.

Table 6. United Postal Service Appropriations, FY2016-FY2017

(in millions of dollars)

Agency	FY2016 Enacted	FY2017 President's Request	H.R. 5485	S. 3067	P.L. 115-31
USPS Payment into the Postal Service Fund *(annual appropriation)*	$55	$64	$41	$48	$35
PRC *(via transfer from Postal Service Fund)*	15	18	16	15	16
USPSOIG *(via transfer from Postal Service Fund)*	249	259	258	253	254

Sources: P.L. 114-113 (129 Stat. 2460-2464); *Appendix, Budget of the United States, FY2017,* pp. 1330-1334; H.R. 5485; S.Rept. 114-280, pp. 103, 114-115; P.L. 115-31.

Payment to the Postal Service Fund for Revenue Forgone

In the FY2017 budget submission, the USPS requested $63.6 million, which is about $8.5 million more than the USPS's FY2016 appropriation.[111] The House-passed bill would have provided $41.2 million, which is nearly $14 million below the USPS's FY2016 appropriation.[112] The Senate committee bill would have provided $48.4 million, which is about $6.7 million below the

[106] 39 U.S.C. §2003. The Postal Regulatory Commission (PRC) is an independent agency responsible for regulatory oversight of the USPS, including USPS's compliance with applicable laws and its process for setting postal rates. See http://www.prc.gov/prc-pages/default.aspx.

[107] Ibid.

[108] P.L. 109-435; 120 Stat. 3240-3241.

[109] Ibid.

[110] Ibid. Although PAEA did not authorize any additional appropriations to the Postal Service Fund (PSF), it did alter the budget submission process for the USPS's Office of Inspector General (USPSOIG) and the Postal Rate Commission (now the Postal Regulatory Commission). In the past, the USPSOIG and the PRC submitted their budget requests to the USPS's Board of Governors. Accordingly, past presidential budgets did not include the USPOIG's or PRC's funding request or report on their current and estimated appropriations levels.

[111] OMB, *Appendix, Budget of the United States, FY2017,* p. 1330; P.L. 114-113, 129 Stat. 2464.

[112] H.R. 5485; H.Rept. 114-624, p. 88.

USPS's FY2016 appropriation.[113] P.L. 115-31 provides the USPS $34.7 million, which is $29 million less than the request and about $20.4 million less than its FY2016 appropriation.[114]

U.S. Postal Service Office of Inspector General

The USPSOIG request for FY2017 was $258.8 million, $10.2 million more than the USPSOIG was appropriated in FY2016.[115] The House-passed bill would have provided $258 million for USPSOIG, which is $9.4 million more than USPSOIG's FY2016 appropriation, and $0.8 million below its FY2017 request.[116] The Senate committee bill would have provided the USPSOIG with $258.6 million, which is $4 million more than its FY2016 appropriation, and $6.2 million below its FY2017 request.[117] P.L. 115-31 provides the USPSOIG $253.6 million, which is $5.2 million less than its request and $5 million more than its FY2016 appropriation.[118]

Postal Regulatory Commission

For FY2017 the PRC request was $17.7 million, about $2.5 million more than the PRC was appropriated in FY2016.[119] The House-passed bill would have provided the PRC with $16.2 million, which is $1 million more than the PRC's FY2016 appropriation, and about $1.5 million below its FY2017 request.[120] The Senate committee bill would have provided the PRC with $15.2 million, which is the same amount as its FY2016 appropriation, and about $2.5 million below its FY2017 request.[121] P.L. 115-31 provides the PRC $16.2 million, which is about $1.5 million less than its request and $1 million more than its FY2016 appropriation.[122]

USPS Policy Provisions

P.L. 115-31 renews several long-standing postal policy provisions. For example, P.L. 115-31

- requires USPS to continue six-day mail delivery;
- requires USPS to continue providing mail for overseas voting and mail for the blind free of charge;
- prohibits appropriated funds from being used to charge a fee to a child support enforcement agency seeking the address of a postal customer; and
- prohibits funds from being used to consolidate or close small rural and other small post offices.

In addition, the Senate committee report recommended that the USPS conduct additional area impact analyses before resuming the processing plant consolidations that were halted in May

[113] S.Rept. 114-280, p. 114.

[114] P.L. 115-31.

[115] OMB, *Appendix, Budget of the United States, FY2017,* p. 1333; P.L. 114-113, 129 Stat. 2464.

[116] H.R. 5485; H.Rept. 114-624, p. 89.

[117] S.Rept. 114-280, p. 115.

[118] P.L. 115-31.

[119] OMB, *Appendix, Budget of the United States, FY2017,* pp. 1333-1334; P.L. 114-113, 129 Stat. 2460.

[120] H.R. 5485; H.Rept. 114-624, p. 79.

[121] S.Rept. 114-280, p. 103.

[122] P.L. 115-31.

2015.[123] The Senate committee report also directed the USPS to complete the report on rural mail service performance, which was required under its FY2016 appropriation.[124]

The FY2017 budget request, like the House and Senate measures, proposed extending the aforementioned long-standing appropriations policies, except for six-day mail delivery.[125] The Obama Administration proposed implementing several operational reforms intended to "improve efficiencies, reduce Postal expenses and improve its revenue," such as (1) moving to five-day delivery if mail volume falls below 140 billion pieces for four consecutive quarters, (2) shifting to centralized and curbside mail delivery, where appropriate, and (3) permanently extending the exigent price increase, which was removed in April 2016, thereby causing prices of many postal products and services to drop to December 2013 prices.[126]

The Obama Administration also proposed several changes to USPS's liabilities for retirement and retiree health benefits, including

- requiring OPM to recalculate USPS's retiree benefit liabilities using USPS's specific demographics and extend the amortization schedule of unfunded liabilities to 40 years (to match that of Postal Retiree Health Benefits); and
- restructuring USPS's Retiree Health Benefits Fund (RHBF) payments schedule to include codifying the missed RHBF payments and reducing the portion repaid during the 40-year amortization to 80% of the total liability, which would save the USPS $18.6 billion through 2026. USPS, however, "would be required to continue payments after the 40-year amortization to fully fund its Retiree Health Benefits liabilities."[127]

President Obama's FY2017 budget stated that "[t]ogether, these reforms would set USPS on a sustainable business path, providing it with over $27 billion in cash relief, operational savings and revenue through 2020."[128]

United States Tax Court[129]

A court of record under Article I of the Constitution, the United States Tax Court (USTC) is an independent judicial body that has jurisdiction over various tax matters as set forth in Title 26 of the *U.S. Code*. The court is headquartered in Washington, DC, but its judges conduct trials in many cities across the country.

The USTC received $51 million in FY2016. President Obama requested $54 million for FY2017, $3 million more than the amount provided for FY2016. H.R. 5485 as passed by the House would have appropriated $51 million for FY2017, about $3 million less than the request and the same as provided for FY2016. S. 3067 as reported would have appropriated $54 million for FY2017, the same as the request and $3 million more than the FY2016-enacted level.

P.L. 115-31 appropriates $51.2 million for FY2017.

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[123] S.Rept. 114-280, pp. 114-115.

[124] Ibid., p. 115.

[125] OMB, *Appendix, Budget of the United States, FY2017*, pp. 1330-1331.

[126] Ibid., pp. 1332-1333.

[127] Ibid., p. 1332.

[128] Ibid., p. 1333.

[129] This section was authored by (name redacted).

General Provisions Government-Wide[130]

The FSGG appropriations bills include general provisions applying government-wide. Most of the provisions continue language that has appeared under the General Provisions title for several years because Congress has decided to reiterate the language rather than making the provisions permanent. An Administration's proposed government-wide general provisions for a fiscal year are generally included in the Budget Appendix.[131] Among the new provisions proposed for FY2017 were the following (whether the provision was included in the budget proposal, H.R. 5485 as passed by the House, or S. 3067 as reported is noted).

- If new budget authority provided in FY2017 appropriations acts exceeds the discretionary spending limit for any category set forth in Section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 because of estimating differences with the Congressional Budget Office (CBO), the OMB director will make an adjustment to the FY2017 discretionary spending limit in such category in the amount of the excess. The total of all such adjustments will not exceed 0.2% of the sum of the adjusted FY2017 discretionary spending limits for all categories. (§739, FY2017 Budget Proposal; §748, S. 3067)
- Section 605A of the Fair Credit Reporting Act would be amended to strengthen credit protections for active duty military members. The Bureau of Consumer Financial Protection would prescribe regulations to define what constitutes appropriate proof of identity for purposes of the provision. The provision would become effective on October 1, 2018. (§749, S. 3067)

P.L. 115-31 does not include either provision.

Cuba Sanctions[132]

H.R. 5485 as passed by the House and S. 3067 as reported included provisions that would have respectively tightened and eased U.S. economic sanctions on Cuba, but none of these provisions were included in P.L. 115-31. The House bill had four provisions that would have blocked aspects of the Obama Administration policy of engagement with Cuba that included easing economic sanctions. In contrast, the Senate bill had four provisions that would have advanced the Obama Administration's policy by lifting several U.S. sanctions on Cuba. The Obama Administration's statement of policy on the House bill expressed strong objections to the four provisions tightening sanctions, maintaining that they "would severely undermine the President's policy on Cuba that aims to improve the lives of the Cuban people and advance U.S. interests through expanded travel, commerce, and the free flow of information."[133]

In the House bill, the four provisions would have tightened Department of the Treasury sanctions related to travel, commerce, and trademarks.

- Section 132 would have prohibited funds in the bill from being used to allow people-to-people educational travel to Cuba.

[130] This section authored by (name redacted).

[131] For FY2017, the provisions are listed in the OMB, *Appendix, Budget of the United States, FY2017*, pp. 7-11.

[132] This section authored by (name redacted). For addit ional information, see CRS Report R43926, *Cuba: Issues and Actions in the 114th Congress*, by (name redacted) .

[133] OMB, "Statement of Administration Policy, H.R. 5485 – Financial Services and General Government Appropriations Act, 2017," June 21, 2016.

- Section 133 would have prohibited funding in the bill to allow the use, purchase, trafficking, or import of property confiscated by the Cuban government.
- Section 134 would have prohibited funding in the bill to allow any financial transaction with an entity owned or controlled, in whole or in part, by the Cuban military or intelligence service or with any officer of the Cuban military or intelligence service (or an immediate family member), but the restrictions would not have applied to financial transactions with respect to authorized U.S. agricultural exports.
- Section 135 would have prohibited funds in the bill to authorize or approve a Treasury Department license with respect to a mark, trade name, or commercial name that is the same as or substantially similar to a mark, trade name, or commercial name used in connection with a business or assets that were confiscated unless the original owner has expressly consented. The provision, which would have prohibited the Treasury Department from licensing the payment of trademark registration fees, relates to a long-standing dispute between a Cuban company and the Bermuda-based Bacardi Limited over the Havana Club trademark. In January 2016, the Office of Foreign Asset Control (OFAC) issued a specific license for the Cuban company to make payments related to the renewal of the Havana Club trademark, and the U.S. Patent and Trademark Office subsequently renewed the Havana Club trademark until 2026.

In the Senate bill, the four Cuba provisions would have eased sanctions related to U.S. agricultural exports, travel, telecommunications services, and services for foreign air carriers flying to and from Cuba.

- Section 634 would have amended the Trade Sanctions Reform and Export Enhancement Act of 2000 to allow for the financing of agricultural exports to Cuba.[134] It would also have amended the Cuban Democracy Act of 1992 to eliminate the prohibition against a seaborne vessel's entry into the United States if it has been involved in trade with Cuba within the previous 180 days, except pursuant to a Treasury Department license. (In October 2016, OFAC amended the Cuban Assets Control Regulations by adding a general license that essentially waived the 180-day rule restriction.[135])
- Section 635 would have prohibited any funding to restrict travel to or from Cuba by any citizen or legal resident of the United States.
- Section 636 would have prohibited funding in the bill from restricting the export of consumer communication devices or the provision of telecommunications services to Cuba and related transactions.
- Section 637 would have prohibited any funding from restricting, with some exceptions, the provision of technical services in the United States for an aircraft of a foreign carrier that is en route to or from Cuba. (In July 2016, OFAC granted a license to Bangor International Airport in Maine to provide refueling and services for foreign air carriers making flights to and from Cuba.[136])

[134] 22 U.S.C. §7207.

[135] U.S. Department of the Treasury, Office of Public Affairs, "Treasury and Commerce Announce Further Amendments to Cuba Sanctions Regulations," October 14, 2016.

[136] "Bangor Airport Gets License to Refuel Foreign Flights Serving Cuba," *Bangor Daily News*, July 18, 2016.

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