

FOR IMMEDIATE RELEASE November 22, 1993 CONTACT: KENT KEYSER Acting Press Secretary Phone: (202) 225-3452

#### **Deficit Reduction**

Washington, D.C. -- U. S. Rep. Nick Rahall today supported a second round of deficit reduction cuts. He voted against the proposed Penny-Kasich plan, calling it, "penny wise and pound foolish for West Virginia and the rest of the Nation."

"I supported another round of budget cuts, in foreign aid, the State Department, and the Legislative branch, among others. In total, the proposal I supported will make over \$37 billion in additional cuts. The Penny-Kasich axe wasn't swinging at any Thanksgiving or budget turkeys, it was aimed dead center at the American economy." Rahall said.

In August this year, Rahall supported President Clinton's budget plan which provided \$250 billion in spending cuts.

The provision Rahall supported today included protections for the Huntington Army District Corps of Engineers in future proposals to reorganize the Corps nationwide.

Penny-Kasich would have affected many projects and programs in West Virginia, including:

\*threatens funding of the \$500,000 West Virginia Comprehensive feasibility study under the Corps of Engineers, which includes Virginia Point in Wayne County.

\*threatens funding of the \$3.5 million Rahall Southern West Virginia, 16county Environmental Restoration Demonstration Project for water and wastewater projects, also to be carried out by the Corps.

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\*Penny-Kasich would cut EDA by 20 percent and freezes ARC at 93 levels. West Virginia, one of the 13 Appalachian States, but the only one of the 13 to fall within the Appalachian definition on a statewide basis would suffer drastic reductions in Economic Development and ARC project funds.

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more

Wa	shington	Address: 2269	Ray	burn Bldg.,	Washir	igto	n, D.C. 20515 • (20	02) :	225-3	3452
Beckley 252-5000	• Blue	field 325-6222	•	Logan 752	4934	•	Huntington 522-NIC	СК	•	Lewisburg 647-3228

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\*Food assistance: Penny-Kasich seriously erodes funding for such programs as food supplements under the Women, Infants and Children (WIC) program, cuts way back on Head Start for disadvantaged pre-schoolers, and also cut remedial education opportunities for kids under Chapter 1.

\*Farm assistance: Penny-Kasich would harm West Virginia farmers by increasing the flexible acres for which no payment would go to farmers, to 2.5 percent.

\*Eliminates USDA field offices: It continues to direct the reorganization of USDA Field offices.

\*Penny-Kasich abolishes the Departments of Commerce and Energy, and creates a new BIGGER Department of Science -- a colossal bureaucracy that will in the end cost more than Commerce and Energy now cost.

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ok to do as a weekly report as well?

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RAHALL POSITIVE SPIN ON WHAT WE ARE CUTTING IN SABO/RESCISSION/REINVENT BILL, H.R. 3400:

WE SAVE:

\*\$569.5 MILLION IN DEFENSE \*\$569.5 MILLION IN NON-DEFENSE

DEFENSE CUTS: COME FROM MILITARY CONSTRUCTION, NATOINFRASTRUCTURE, AND BASE CLOSINGS.

NON-DEFENSE CUTS: COME FROM Agriculture, Foreign Assistance, Commerce Dept, EDA Revolving Fund; Justice Dept, State Dept, including \$122.3 in Corps of Engineers; Legislative Branch (\$8.2 mil); Transportation, \$385.9 mil; Veterans; EPA Water Infrastruture; F EMA, NASA,NSF, HUD.

DOWNSIZING FEDERAL WORKFORCE: Cuts \$252,000 FEDERAL EMPLOYEES, over 5 year period, with Congress making the cuts in humane manner, and not with a meat axe, cuts: \$32.5 BILLION. <u>NOTE: REP. CLAY, AND. REP. MC</u> <u>CLOSKEY, ARE RELUCTANTLY VOTING FOR THIS, AND THEY OVERSEE CIVIL</u> <u>SERVICE.</u>

WE ARE CUTTING ACROSS ALL AREAS ONCE AGAIN.

RAHALL "NO" ON PENNY-KASICH AMENDMENT:

Enactment of the Penny-Kasich amendment would make a direct hit on West Virignia in many ways -- and on the country as a whole -- hits they cannot absorb and still keep the economic recovery going.

Those hits are:

\*completely defund the \$500,000 West Virginia Comprehensive feasibility study under the Corps of Engineers;

\*defund the Rahall Southern West Virginia, 16-county Environmental Restoration Demonstration Project, also to be carried out by the Corps.

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\*Penny-Kasich tampers with the Davis-Bacon Act which NOW requires paying workers the local prevailing wage -- would also allow contractors to hire "helpers" with no experience or standing, in lieu of those workers in the trade unions with specific experience in bricklaying, heavy equipment operators, electricians, carpentry and other craftsmen. This would come at a time when the construction industry is beginning to create jobs at decent wages.

\*Penny-Kasich would repeal certain requirements to clean up SUPERFUND sites that have polluted vast areas posing threats to people who buy and build homes/businesses at or near such sites, and poses the threat of contaminated ground water, and other problems.

\*Penny-Kasich take more pot-shots at Veterans -- imposing a prospective payment plan on them which has been tried, and which failed five years ago. Using so-called preliminary diagnostic tests, many veterans would again (as in the past) be refused hospitalization, or if hospitalized, be required to go home before they are well enough to go home.

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\*The increase to a mandatory retirement age of 65 for all federal civil service employees in the future, will do the same thing: It will rob us of the ability to attract and retain good, loyal, reliable, committed people from entering government service.

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#### **Appropriations Rescissions In Bill/Sabo Amendment** (\$ in millions) Bill/Sabo Admin. Over(+)/Under(-) Program Request Bill/Sabo Request TOTAL \$1,991.9 \$2,561.4 +\$569.5\* DEFENSE \$601.2 \$601.2 Military Construction 601.2 93.5 -507.7 NATO Infrastructure 70.0 +70.0---**Base Closing** 437.7 +437.7---NONDEFENSE \$1,390.7 \$1,960.2 +\$569.5 Agriculture 144.2 149.1 +4.8Agriculture Research 24.7 1.0 -23.7 **Cooperative State Research** Service 64.0 17.2 -46.8 Ag. Marketing Service 0.1 +0.1---Ag. Stabilization & Conservation 12.2 -12.2 ---Soil Conservation Service 12.2 -12.2 Farmers Home Administration 12.2 92.2 +80.0**Rural Electrification & Telephone** Loan Program (Loan Authorization) (50.0)(-50.0)Loan Subsidy 6.5 -6.5 Food & Nutrition Service 12.6 18.6 +6.0PL 480 "Food for Peace" 20.0 +20.0Foreign Assistance Rescissions 290.0 373.0 +83.0(Limitation on Callable Capital) (1,624.3)(+1,624.3)World Bank Paid-in Capital 27.9 +27.9(Limitation on Callable Capital) (902.4)(+902.4)Inter-American Dev. Bank Inter-Regional Paid-In Capital 16.1 +16.1(Limitation on Callable Capital) (626.4)(+626.4)Asian Development Bank Paid-In Capital 13.0 ----+13.0(Limitation on Callable Capital) (95.4)\_\_\_\_ (+95.4)Bilateral Economic Assistance 250.0 250.0 Foreign Military Assistance Grants 40.0 66.0 +26.0**Commerce** Department 12.0 32.0 +20.0**EDA Revolving Fund** 29.0 +29.0--NOAA 10.0 3.0 +7.0International Trade Admin. 2.0 +2.0

Democratic Study Group

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n Dodd (H)		Admin.	0	Bill/Sabo
Program		Request	Bill/Sabo	ver(+)/Under(-) Request
Justice Department				
		10.0		+10.0
2 935 B			netruction .	Military Co.
State Department		0.6	9.8	+9.8
Defender Services				Base Ciosin
Israel Rolay Station			3.0 1.7	+3.0
SBA Salaries & Expenses	\$1,390	13.1	1./_22	+1.7 +13.1
State Justice Institute		6.8		+13.1 +6.8
		11.7	4.0	+7.7
Corps of Engineers	and the second second	122.3	122.3	Cooperativ
Bureau of Reclamation		16.0	16.0	Service
1.04 1.0				
Energy Department		139.3	139.3	All Scatter
Energy Supply R&D		97.3	97.3	Farman F
Uranium Supply & Enrichment		12.0		
Enterment		42.0	42.0	Loan Prog
Fish & Wildlife Service		_	3.9	+3.9
Biomass Energy Development			16.3	+16.3
0.84 3 0.81 0.			strition Service	Place No
Labor Department: Salaries &				
Expenses			4.0	+4.0
H-lih & H C · D	ope		stance	Poreign Assu
Health & Human Services Dep	ot.		48.4	+48.4
Salaries & Expenses SSI			37.0	+37.0
Limitation on Admin. Expense	00		10.9	+10.9
Emiliation on Admin. Expensi	-	(istig)	(80.0)	(+80.0)
Education Dept. Management		-	8.5	+8.5
1.64 I Lol			nal Paid-In Caj	Inter-Region
Legislative Branch		<u>A</u> stiqu	8.2	+8.2
House of Representatives	3. S	and the second	3.0	+3.0
Capitol Buildings			3.0	+3.0
Library of Congress		Tends	0.9	+0.9
General Accounting Office			1.3	+1.3
		000.0	660.0	005.0
Transportation Department Payments to Air Carriers		282.9	668.8	+385.9
Coast Guard			-10.1 7.0	+10.1
3.0 1 17.0			7.0	+7.0

# Appropriations Rescissions In Bill/Sabo Amendment (cont.) (\$ in millions)

Democratic Study Group

Later exteriors little of the second	A	0	Bill/Sabo
Program	Admin. Request	Bill/Sabo	ver(+)/Under(-) Request
Federal Aviation Admin.	43.0	an buildings a	-33 million fit
Operations	43.0 2.8	518.4 0.8	+475.4
Facilities & Equipment	40.3	29.5	-2.0 -10.8
Grants-in-Aid for Airports		488.2	+488.2
Highway Projects	187.8	85.8	-102.1
National Highway Traffic Safety		7.1	+7.1
Federal Transit Admin.			d off
Discretionary Grants	52.0	40.5	+11.6
GSA Federal Buildings Fund	126.0	126.0	-
Votorana Affaire Dant			
Veterans Affairs Dept.	om the sub-	26.0	+26.0
HUD	225.8	111.0	-114.8
HOPE Grants		66.0	+66.0
Assisted Housing	225.8	25.0	-200.8
Renewal of Expiring		\$20 million fra	
Section 8 Subsidy Contracts	brus - man	20.0	+20.0
in which which and			
EPA Water Infrastructure			
State Revolving Funds FEMA	-	22.0	+22.0
NASA	nun Me nun	2.0	+2.0
Research & Development	d graffits pro	50.0	+50.0
Construction of Facilities	billion and lo	25.0 25.0	+25.0
NSF Academic Research Infrastruct	ure	10.0	+25.0 +10.0
Corp. for National & Community	bina ;	10.000	110.0
Service	-	5.0	+5.0
		A HUMBER 115	

### Appropriations Rescissions In Bill/Sabo Amendment (cont.) (\$ in millions)

\* A "+" in this column indicates that the bill/Sabo Amendment rescinds or cuts more than the President requested, and a "-" indicates that it rescinds less than requested.

### Agricultural Research Service

For the Agricultural Research Service, the bill rescinds \$1 million. The committee rejected another \$24 million in rescissions that the Administration proposed for this agency.

#### **Cooperative State Research Service**

For the Cooperative State Research Service, the bill rescinds a total of \$17 million, including \$14 million from research activities, and \$3 million from buildings and facilities. The committee rejected a total of \$47 million in other rescissions proposed by the Administration for this agency.

#### Farmers Home Administration

The bill rescinds a total of \$92 million from Farmers Home Administration programs, \$80 million more than the Administration's request. This total includes the following rescissions:

- \$35 million from the subsidy level for rural housing section 502 loans. This rescission would reduce the loan level by \$175 million, leaving a loan level of \$1.6 BILLION;
- \$20 million from the subsidy level for the rural development loan fund. This would leave a subsidy level of \$36 million, which would support a loan level of \$64 million;
- \$25 million from the rural water and waste water disposal grants program, which would leave a total of \$475 million for this program, \$50 million more than the FY 1993 appropriation; and
- \$12 million in salaries and expenses for the Farmers Home Administration, as proposed by the Administration.

### **Foreign Assistance**

The bill (and therefore the Sabo amendment) rescinds \$373 million from foreign assistance accounts – \$83 million more than the Administration's request. When the foreign aid rescissions in this bill are added to the rescissions contained in the FY 1994 foreign aid appropriations bill, a total of \$575 million in foreign aid appropriations will have been rescinded in FY 1994. MAJORITY MEMBERS

WILLIAM H. NATCHER, KENTUCKY, CHAIRMAN JAMIE L. WHITTEN, MISSISSIPPI, VICE CHAIRMAN NEAL SMITH, IOWA

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**Congress of the United States** Prouse of Representatives Committee on Appropriations 7 101 Washington, DC 20515-6015

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LLA. TEXAS

TELEPHONE:

STAFF DIRECTOR

Honorable Nick J. Rahall, II House of Representatives Washington, DC 20515

Dear Nick:

I know you would want to be made aware that the Penny-Kasich amendment would jeopardize many projects of the Corps of Engineers, including:

> West Virginia Comprehensive, WV - VA. PT. Study Southern WV Environmental Restoration \$3.5 water wastewater pilot program

We hope you will join our effort to defeat Penny-Kasich and support, instead, the Rescission Bill which cuts \$2.56 billion in spending, including \$122.3 million from spending for the Army Corps of Engineers.

Sincerely,

John T. Myers Ranking Minority Member Subcommittee on Energy and Water Development Som

Tom Bevill, Chairman Subcommittee on Energy and Water Development

MAJORITY MEMBERS

WILLIAM H. NATCHER, KENTUCKY, CHAIRMAN

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Congress of the United States House of Representatives Committee on Appropriations Washington, DC 20515-6015

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> CLERK AND STAFF DIRECTOR FREDERICK G. MOHRMAN TELEPHONE

(202) 225-2771

November 19, 1993

The Honorable Nick J. Rahall, II 2269 Rayburn House Office Building

Dear Congressman Rahall:

This letter is to inform you that the Penny-Kasich amendment establishes a moratorium on the construction and acquisition of Federal buildings and Courthouses, including the Beckley, West Virginia Federal Building.

A vote for Penny-Kasich not only will delay funding for this project until October 1, 1998, but could also jeopardize the project ever being undertaken at all.

We hope you will join our effort to defeat Penny-Kasich and support, instead, the Rescission Bill which cuts \$2.56 billion in fiscal year 1994.

Sincerely,

im Lightfoot Banking Minority Member

Subcommittee on Treasury, Postal Service, and General Government

Steny H. Hoyer Chairman Subcommittee on Treasury, Postal Service, and General Government

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November 21, 1993

### **KASICH-PENNY IMPOSES \$5 BILLION UNFUNDED MANDATE**

The Honorable Nick J. Rahall U.S. House of Representatives 2269 Rayburn House Office Building Washington, DC 20515

Dear Nick:

I want to alert you to a little-known aspect of the Kasich-Penny amendment. According to the Congressional Budget Office, one of the provisions of that amendment would, if enacted, increase unfunded mandates on states by \$5 billion over 1994-1998.

Unfunded mandates are of interest to many Members. Some have sponsored constitutional amendments, bills, or super-majority requirements designed to ban all new mandates. Two hundred thirty Members, including Mr. Kasich and Mr. Penny, have sponsored a rules change requiring that all new mandates be studied by CBO and discussed in Committee reports before being voted on. The Kasich-Penny amendment does not meet the requirements of any of these proposals.

The mandate is contained in the Kasich-Penny provision that requires 20 percent copayments for Medicare home health care. Medicaid would be required to make the copayments on behalf of people with incomes below 150 percent of the poverty level. Because of this new mandate, part of the Medicare savings comes at the expense of state governments.

These new state expenditures are required by this amendment, so states have no way to reduce them. The Congressional Budget Office projects the cost of this unfunded mandate to be \$950 million in its first full year and to grow by 11 percent per year thereafter.

Attached is a table showing the costs of this new mandate by state. I hope this information is useful to you.

Sincerely.

MARTIN OLAV SABO Chairman

Enclosure

### DISTRIBUTION OF STATE COSTS FROM REQUIREMENT TO PAY 20 PERCENT COINSURANCE ON MEDICARE HOME HEALTH BENEFITS FOR INDIVIDUALS UP TO 150% OF FEDERAL POVERTY LINE

(\$ in millions)	<u>FY 94</u>	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	5-YEAR
Alaska Alabama Arkansas Arizona California Colorado Connecticut District of Columbia Delaware Florida Georgia Hawaii	0.3 7.8 4.1 6.7 75.7 4.7 6.0 5.9 1.1 44.6 17.1 1.6	0.5 13.4 7.1 11.5 130.7 8.1 10.4 10.1 1.9 77.1 29.5 2.8	0.5 15.6 8.3 13.3 151.4 9.4 12.0 11.7 2.2 89.2 34.2 3.3	0.6 17.0 9.0 14.5 165.1 10.3 13.1 12.8 2.4 97.3 37.3 3.6	0.6 18.4 9.8 15.7 178.9 11.2 14.2 13.9 2.6 105.4 40.4 3.9	2.5 72.1 38.4 61.7 701.8 43.7 55.8 54.4 10.2 413.7 158.6 15.3
Iowa	4.8	8.3	9.7	10.5	11.4	44.8
Idaho Illinois Indiana Kansas Kentucky Louisana Massachusetts Maryland Maine Michigan Minnesota Missouri Mississippi Montana North Carolina North Dakota Nebraska New Hampshire New Jersey New Mexico Nevada New York Ohio Oklahoma Oregon Pennsylvania Rhode Island South Carolina South Dakota Tennessee Texas Utah Virginia Vermont Washington Wisconsin	$\begin{array}{c} 0.7\\ 28.3\\ 7.0\\ 3.7\\ 7.5\\ 8.5\\ 17.5\\ 9.4\\ 1.9\\ 17.7\\ 8.0\\ 11.8\\ 4.6\\ 0.6\\ 13.6\\ 0.9\\ 2.0\\ 2.1\\ 20.0\\ 1.5\\ 2.5\\ 52.1\\ 20.0\\ 1.5\\ 2.5\\ 52.1\\ 21.1\\ 5.0\\ 4.1\\ 37.9\\ 2.9\\ 4.6\\ 1.0\\ 12.7\\ 30.6\\ 1.0\\ 11.0\\ 0.8\\ 6.2\\ 6.2\\ \end{array}$	$\begin{array}{c} 1.2\\ 48.9\\ 12.0\\ 6.5\\ 12.9\\ 14.6\\ 30.2\\ 16.3\\ 3.2\\ 30.6\\ 13.9\\ 20.4\\ 7.9\\ 1.1\\ 23.5\\ 1.5\\ 3.4\\ 3.6\\ 34.6\\ 2.6\\ 4.3\\ 89.9\\ 36.4\\ 8.6\\ 7.1\\ 65.5\\ 5.0\\ 8.0\\ 1.7\\ 22.0\\ 52.9\\ 1.7\\ 19.0\\ 1.3\\ 10.8\\ 10.8\end{array}$	$\begin{array}{c} 1.4\\ 56.7\\ 13.9\\ 7.5\\ 14.9\\ 16.9\\ 35.0\\ 18.9\\ 3.7\\ 35.4\\ 16.1\\ 23.6\\ 9.1\\ 1.3\\ 27.2\\ 1.7\\ 3.9\\ 4.2\\ 40.1\\ 3.0\\ 5.0\\ 104.1\\ 42.1\\ 9.9\\ 8.2\\ 75.9\\ 5.7\\ 9.2\\ 1.9\\ 25.5\\ 61.3\\ 2.0\\ 22.0\\ 1.5\\ 12.$	1.6 61.8 15.2 8.2 16.3 18.4 38.1 20.6 4.1 38.6 17.6 25.8 10.0 1.4 29.7 1.9 4.3 4.6 43.7 3.3 5.4 113.6 45.9 10.8 9.0 82.8 6.3 10.1 2.1 27.8 66.9 2.1 24.0 1.6 13.6 13.6	$\begin{array}{c} 1.7\\ 67.0\\ 16.4\\ 8.8\\ 17.7\\ 20.0\\ 41.3\\ 22.3\\ 4.4\\ 41.8\\ 19.0\\ 27.9\\ 10.8\\ 1.5\\ 32.1\\ 2.0\\ 4.6\\ 5.0\\ 47.3\\ 3.5\\ 5.9\\ 123.0\\ 49.8\\ 11.7\\ 9.7\\ 6.8\\ 10.9\\ 2.3\\ 30.1\\ 72.4\\ 2.3\\ 26.0\\ 1.8\\ 14.8\\ 14.7\end{array}$	6.6 262.7 64.5 34.6 69.3 78.4 162.1 87.5 17.3 164.1 74.6 109.5 42.3 5.9 126.1 7.9 18.1 19.6 185.7 13.9 23.0 482.7 195.2 46.0 38.2 351.8 26.6 42.9 8.9 118.2 284.1 9.1 101.9 7.0 57.9 57.8
West Virginia Wyoming	2.5 0.2	4.2	4.9 0.5	5.4 0.5	5.8 0.5	22.8 2.2
TOTAL	550.0	950.0	1100.0	1200.0	1300.0	5100.0