



# ALA Washington Newsletter

Contents:

February 10, 1986, Volume 38, Number 2

**Reagan 87 Budget & 86 Rescissions**

Library Programs . . . . . p. 1  
 Postal Revenue Forgone. . . . . p. 2  
 Revenue Sharing . . . . . p. 3  
 LC . . . . . p. 3  
 NEH . . . . . p. 3  
 Budget in Context . . . . . p. 3  
 ACTION NEEDED . . . . . p. 4

**Balanced Budget & Deficit Control**

Court Ruling. . . . . p. 4

**Balanced Budget, cont.**

Sequester Order. . . . . p. 4  
 Effects on Natl. Libs. . . . . p. 5  
 ACTION NEEDED. . . . . p. 5  
 NLM Sesquicentennial. . . . . p. 5  
 Natl. School Library Month . . . p. 5  
 Natl. Humanities Week . . . . . p. 5  
 Postal Rate Study . . . . . p. 6  
 LSCA IV Regs Correction . . . . . p. 6  
 Fed. Libns. Register Open . . . . p. 6

Attachments: (1) ALA Resolution on Balanced Budget & Emergency Deficit Control Act (Gramm-Rudman-Hollings amendment), (2) Budget Table

Reagan FY 1987 Budget & FY 1986 Rescission Proposals

Library Programs. The National Commission on Libraries and Information Science is back in the budget this year, at \$690,000. Otherwise, the President's FY '87 budget submitted to Congress on February 5 would, for the fifth year in a row, eliminate LSCA and HEA II library grant programs. In addition, the budget includes proposals for FY '86 to rescind or "unappropriate" all library grant program funding except LSCA I and III where about half the states have already received funds. Budget proposals for these programs are shown below:

(amounts in thousands)	FY 86 <u>Approp.</u>	FY 86 after <u>Sequester</u>	FY 86 Rescission <u>Proposal</u>	FY 87 Reagan <u>Request</u>
<b>Library Services &amp; Construction Act</b>				
Title I, public library services	\$ 75,000	\$ 71,774	\$ --	\$ -0-
II, public library construction	22,500	21,533	-21,533	-0-
III, interlibrary cooperation	18,000	17,226	--	-0-
IV, Indian tribes (2% setaside of final	approp. for titles I, II, III)			
VI, library literacy programs	5,000	4,785	-4,785	-0-
<b>Higher Education Act</b>				
Title II-A, college library resources	-0-	-0-	--	-0-
II-B, training, research	1,000	957	-957	-0-
II-C, research libraries	6,000	5,742	-5,742	-0-
<b>Educ. Consolidation &amp; Improvement Act</b>				
Chapter 2 state block grant	528,909	506,166	--	528,909
NCLIS	690	660	--	690

Education Department briefing papers give no new rationale, but repeat these arguments from previous years:

All Federal support for categorical library programs is proposed for termination in 1987. This proposal is based on several factors, including the past success of the Public Library Services and Construction programs in helping to make public library services available to virtually every community. The Interlibrary Cooperation program has also been successful through seed money in establishing models to stimulate further expansion of resource sharing. Full responsibility for these State-operated programs should now be assumed by State and local governments, which now provide 95 percent of all support for public libraries.

There no longer exists a critical shortage of professional librarians. Any further need for training can be met through State and local efforts, as well as through Federal student aid.

These arguments overlook the continuing need for a modest federal role in helping to equalize the availability and quality of library services for those for whom special outreach or special materials are required, and for assisting libraries to share resources across local, state, and national boundaries through use of new technologies. The Administration's arguments also fail to recognize the total lack of other resources for recruiting minorities to the field, the recent shortage of children's librarians, and the need for continuing education in technological developments. ED lists adult literacy as a budget priority, says the solution to illiteracy "will require the combined efforts of government at all levels, the private sector, and individual citizens working as volunteers," and simultaneously zeroes out LSCA and its new title VI Library Literacy Programs.

ED gives the rationale for the FY '86 rescissions as follows:

In addition to sequestration, rescissions are proposed to eliminate all 1986 funding of library programs, except for Public Library Services and Interlibrary Cooperation. These two activities are reduced by a total of \$4 million by sequestration. Rescissions are not proposed for the balance of funding, because these are current-funded activities, and States have already begun expending the funds.

Rescission requests are proposals to "unappropriate" funds Congress has already provided. If there is no congressional action approving the rescissions within 45 legislative days (estimated to run out about mid-April), funds must be released. In developing its rescission requests, the Administration assumed the 4.3 percent cut or sequestration of funds required by the Gramm-Rudman-Hollings amendment would take effect March 1.

Postal Revenue Forgone. As he proposed last year, President Reagan would again eliminate all postal revenue forgone appropriations. If enacted, this would mean that as of October 1, 1986, those eligible for free mail for the blind would have to pay the full cost of this mail; and major increases would take effect in all subsidized rate categories including nonprofit bulk mail, classroom publications, and the fourth class book and library rates. Since rates are as of January 1, 1986 at full attributable cost levels, enactment of the budget would eliminate all indirect subsidy and result in regular commercial rates. A 2-lb. library rate book package would be \$.94, a 40 percent jump over the January 1st 24 percent increase.



Budget documents indicate that the Administration will again propose legislation "that will enable the Postal Service to continue the subsidy for most existing subsidized mailers." This is an apparent reference to the cross-subsidization proposal which Congress rejected last year.

The U. S. Postal Service has estimated that \$833,211,000 in revenue forgone appropriations is needed for FY '87. If rates were to be kept at January 1 levels, an additional \$65,000,000 would be needed to make up the current FY '86 funding shortfall, plus another \$32,164,000 to cover the 4.3 percent cut expected March 1 as a result of the Gramm-Rudman-Hollings balanced budget legislation.

The USPS Board of Governors announced February 4 that March 9 will be the effective date of the next increase in preferred rates to make up for FY '86 funding shortfalls, but the amount of the increase is not yet certain.

Revenue Sharing. The Administration will not seek to reauthorize the Revenue Sharing Act when the current authorization expires at the end of 1986. In addition, the President has also requested rescission of the 1986 4th quarter general revenue sharing payment of \$759,975,000 to local governments.

LC. The Library of Congress requested \$266,197,000 for FY '87, an amount that includes authority to expend about \$12 million in receipts. The budget request would enable LC to maintain services as provided before the devastating FY '86 cuts to be implemented in March (see following article). The only items beyond current services in the budget are \$15 million for capital improvements connected with renovation of the older buildings and computer upgrades.

NEH. The Administration requested \$126,440,000 for the National Endowment for the Humanities, 10 percent less than the \$140,629,000 in FY '86. However, individual programs within NEH show different figures. The Office of Preservation would be at \$4 million, up 0.6 percent over this year, but Humanities Projects in Libraries would be at \$1.4 million, down 52 percent from this year.

Budget in Context. The \$994 billion FY '87 budget and its projections for the next four years come very close to the President's original goal of a federal role limited to defense plus certain income maintenance programs. The budget would meet G-R-H deficit targets while increasing defense 8 percent above inflation by the elimination or major reduction of domestic programs, the selling off of certain federal assets, increased privatization, and the imposition of user fees.

Historical tables with the budget show that federal aid to state and local governments (as measured in constant FY '82 prices) peaked in 1978 at \$75.7 billion, dropped to \$50.3 billion in FY '82, the first full Reagan budget, would be \$40.3 billion in FY '87, and \$31.2 billion by 1991. At that point, such aid would be 3.9 percent of federal outlays (one-third the 1978 level) and only 0.7 percent of GNP.

The reaction of many on Capitol Hill, including some Republicans, was that the President's budget was "dead before arrival," but that it would get a serious hearing because of the need to reduce deficits. There was also resentment that, while doubling the deficit in recent years, the President was using its existence to press for elimination of domestic programs, and claiming only a 3 percent above inflation increase for defense by basing it not on current funding but on last year's congressional budget resolution.

Nevertheless, proposals rejected in previous years may now seem more palatable to Congress in light of G-R-H requirements. If enacted, the impact of Reagan proposals on libraries would not only be the loss of direct aid from library programs and postal subsidies, but the indirect effect as states and localities search for alternatives to make up for the elimination of revenue sharing and major cuts in other aid programs.

**ACTION NEEDED:** The rescissions for FY '86 proposed for library and a number of other programs could be seen by Congress as an alternative to the March 1 G-R-H cuts, or as additional deficit reduction. In addition, G-R-H requires a speeded-up timetable for the FY '87 congressional budget (see the G-R-H attachment to the December 17, 1985 newsletter). It is urgent that library supporters contact legislators immediately to oppose the FY '86 rescissions and '87 budget, with examples of the impact of both. It is also urgent that the budget request of the Library of Congress be supported with letters to Congress, in light of the devastating cuts to LC in FY '86 (see following article).

Please send blind copies to the ALA Washington Office of Letters to Congress with impact data, or send us such examples directly. We need your information to include in fact sheets, testimony, etc. Alert legislative networks and plan for the April 8 Library Legislative Day in Washington, D. C. Legislators may be reachable at home as you receive this newsletter (until February 18), and will be on recess again from March 26 until April 7.

#### Balanced Budget & Emergency Deficit Control Act

**Court Ruling.** A special federal appeals court judicial panel on February 7 declared unconstitutional the automatic trigger provision of the Gramm-Rudman-Hollings amendment (Balanced Budget and Emergency Deficit Control Act). The three-judge panel unanimously said the law violated the Constitution's separation of powers requirements by granting executive branch powers to the comptroller general, a legislative branch officer. The comptroller general as head of the General Accounting Office, plays a key role together with the Office of Management and Budget and the Congressional Budget Office in determining whether each year's G-R-H deficit reduction target has been met, and if not, how much spending would have to be cut.

Rep. Mike Synar (D-OK) and 11 other Representatives brought the suit, but the Senate and the comptroller general are expected to appeal to the Supreme Court, which, if it agrees to hear the case, is expected to rule by July. If the ruling is upheld, a fallback provision in G-R-H would come into play under which the automatic cut or sequestration of funds would have to be approved by the House and Senate in a joint resolution and signed by the President.

**Sequester Order.** The appeals court ruling would not take effect until after Supreme Court review, and thus will not affect the 4.3 percent G-R-H cut in library and other nonexempt domestic programs scheduled to take effect March 1 unless Congress takes alternative deficit reduction action before then. As required by the law, OMB and CBO issued their sequestration report on the required cuts (Book 2 of January 15 Federal Register), the comptroller general issued his report (Book 2 of January 21 FR), and President Reagan on February 1 issued the sequestration order (February 3 Congressional Record, pp. S847-48, daily edition) which will permanently cancel 4.3 percent of FY '86 funding for federal library and many other programs.

Effects on National Libraries. For the Library of Congress, the 4.3 percent G-R-H cut will be on top of a 3.5 percent cut in congressional appropriations. As a result LC will have \$18.3 million or 7.7 percent less to spend in FY '86 than in '85. On February 3, LC declared a fiscal emergency and announced a series of actions to avoid or control costs: Reduce the work force by 300 positions, close all reading rooms on Sundays and all evenings except Wednesday, reduce the preservation budget by 16.4 percent, reduce automation by 6.8 percent, reduce acquisitions by 13.3 percent, reduce cataloging output by 14 percent, cut the Congressional Research Service by \$1.7 million, cut the National Library Service for the Blind and Physically Handicapped by \$1.5 million, and reduce travel, equipment, etc.

The National Library of Medicine and the National Agricultural Library, while not as severely affected, also expect reductions in book budgets, collection maintenance, and possible cuts in service hours. As NLM's statement noted: "During the past few years personnel levels have dramatically decreased. The latest reductions can no longer be buffered by technological advancements..." Very few new NLM extramural grant awards will be made. Equipment for NAL's Integrated Library System may be deferred or delayed indefinitely.

ACTION NEEDED: Congressional sources indicate that if the automatic cut provision of Gramm-Rudman-Hollings is triggered for FY '87, cuts for nonexempt domestic programs would be about 25 percent. Library constituents protesting the effects of G-R-H on library services may wish to include in letters to Congress a resolution passed by ALA Council on January 22 calling on Congress to use alternatives to sequestration to address the deficit which would minimize the impact on library services. A copy of the resolution is attached to this newsletter.

#### NLM Sesquicentennial

Presidential Proclamation 5436 of January 29 honors the Sesquicentennial Year (1986) of the National Library of Medicine, "now the largest and most distinguished medical library and medical communications center in the world." The proclamation, published in the January 31 Federal Register, p. 3935, implements S.J. Res 198, passed by Congress last year and signed into law (PL 99-231) on December 28, 1985. NLM has numerous special events planned for the Sesquicentennial.

#### National School Library Month

The House passed on February 6 by voice vote S.J. Res 52 to designate the month of April 1985 as National School Library Month, with an amendment changing the year to 1986. The Senate had passed the resolution last April 15, and is expected to agree to the House amendment. The House companion measure, H.J. Res. 154, introduced by Rep. Olympia Snowe (R-ME), had 220 cosponsors, enough to prompt House action on the Senate-passed measure.

#### National Humanities Week

The House on February 6 passed S.J. Res 219, a Senate-passed measure designating February 9-15 as National Humanities Week, 1986. The resolution now goes to the President for a proclamation. It was passed in connection with the celebration of the 20th anniversary of the National Endowment for the Humanities. The resolution notes in part:

...as a Nation we have benefited from the fruits of [NEH] humanities programming in a variety of ways, through improvements in humanities education at all levels, through scholarly achievements at the cutting edge of humanities research, and through programming in museums, libraries, television, and radio which fosters a heightened understanding of the humanities across the Nation...

#### Postal Rate Study

The Postal Rate Commission announced January 24 that it would, at the request of the chairs of the House and Senate postal authorizing committees, study the use of most categories of preferred rate mail, including the 4th class library rate. The study was included in the conference report (H. Rept. 99-453) on the budget reconciliation bill (HR 3128) which Congress in December sent back to a new conference committee.

The study is to cover (1) use of 3rd class nonprofit bulk mail, 2nd class nonprofit mail, and 4th class library rate mail for advertising, promotion, and solicitation purposes, (2) general use of the 2nd class "in-county" publication rate, and (3) the accuracy, or inaccuracy, of current methods of computing revenue forgone, and the development and assessment of alternative methods. See the January 30 Federal Register, pp. 3867-69.

#### LSCA IV Regulations Correction

The January 16 Federal Register, pp. 2396-97, included a correction to the Library Services and Construction Act final regulations which had been published in the August 16, 1985 FR, pp. 33172-99. The correction restores several paragraphs omitted from regulations for the LSCA IV Special Projects Grants to Indian Tribes and Hawaiian Natives Program.

#### Federal Librarians Register Open

The Federal Civil Service Librarians' Register will be open from February 24 to March 21. Applications interested in federal library positions should contact the nearest Office of Personnel Management job information center for the following forms: SF 171, OPM 1170-17, OPM 1203B, and OPM 1280.



Resolution on the Balanced Budget and  
Emergency Deficit Control Act of 1985

- WHEREAS, The Balanced Budget and Emergency Deficit Control Act of 1985, PL 99-177, known as the Gramm-Rudman-Hollings Amendment, would balance the federal budget over six years through a process involving automatic "sequestration" of funds for federal programs, including library programs and services, which are not exempt from cuts; and
- WHEREAS, The increasingly severe cuts under PL 99-177 coupled with other proposed budget reductions will have a devastating effect on public sources of library funding on the federal, state and local level; and
- WHEREAS, America's libraries not only support the demands of an information age but also ensure an informed citizenry essential to a democratic society; and
- WHEREAS, Libraries are engaged in addressing the national problem of illiteracy which reduces the ability of one adult in five in the United States to function effectively in business and society; and
- WHEREAS, Fiscal constraints have already had serious effects on the ability of libraries to deliver essential services; and
- WHEREAS, The future of this nation depends upon the education of its citizens and their access to information for educational, social, cultural and economic development; and
- WHEREAS, The citizens of this nation will find their access to information severely diminished in the next six years through the automatic sequestration of fund; and
- WHEREAS, The United States Congress has always given strong bipartisan support for developing and maintaining library programs; and
- WHEREAS, The United States Congress has the vehicle through existing budget, authorization and appropriation processes to review programs, establish budget priorities, and reduce the deficit; now, therefore, be it
- RESOLVED, That the American Library Association communicate to the members of Congress the devastating effects of PL 99-177 on libraries providing access to information, fighting illiteracy, and educating the nation's populace; and, be it further
- RESOLVED, That the American Library Association request that the United States Congress use alternatives to sequestration to address the deficit which would minimize the impact on the nation's library and information services.

Adopted by the Council of the  
American Library Association  
Chicago, Illinois  
January 22, 1986  
(Council Document #27)

FISCAL YEAR 1987 BUDGET AND FY 1986 RESCISSION REQUESTS

(Figures in thousands)	FY 1986	FY 1986	FY 1986	FY 1987	FY 1987 Reagan
LIBRARY PROGRAMS	Appropriation	After 4.3% <sup>1</sup> Sequester	Rescission Proposal	Authorization	Budget Request
<b>Educ. Consolidation &amp; Improvement</b>					
Chapter 2 (incl. school libraries)	\$ 528,909	\$ 506,166	\$ -	necessary sums	\$ 528,909
GPO Superintendent of Documents	25,981	24,864	-	necessary sums	27,835
Higher Education Act title II	7,000	6,699	-6,699	\$ 85,000	-0-
Title II-A, College Libraries	-0-	-0-	-	35,000	-0-
II-B, Training & Research	1,000	957	-957	35,000	-0-
II-C, Research Libraries	6,000	5,742	-5,742	15,000	-0-
Library of Congress	230,125	220,230	-	2 USC 131	266,197
Library Services & Construction Act	120,500	110,533	-21,533	171,000	-0-
Title I, Public Library Services	75,000	71,774	-	85,000	-0-
II, Public Library Construction	22,500	21,533	-21,533	50,000	-0-
III, Interlibrary Cooperation	18,000	17,226	-	30,000	-0-
IV, Indian Library Services	(funded at 2% of appropriations for LSCA I, II & III)				-0-
VI, Library Literacy Programs	5,000	4,785	-4,785	5,000	-0-
Medical Library Assistance Act	7,790	7,455	-	13,000	7,400
National Agricultural Library	11,272	10,787	-	necessary sums	11,421
Nat'l Commis. Libs. & Info. Science	690	660	-	750	690
National Library of Medicine	50,166	47,867	-	42 USC 275	49,008
<b>LIBRARY RELATED PROGRAMS</b>					
Adult Education Act	101,963	97,579	-	necessary sums	104,000
Bilingual Education	169,115	161,844	-28,710	176,000	142,951
Corporation for Public Broadcasting <sup>2</sup>	214,000	204,798	-44,000	needs new auth.	130,000
ECIA Ch. 1 (ESEA I Disadv. Children)	3,688,163	3,529,572	-	necessary sums	3,688,163
Educ. Handicap. Child. (state grants)	1,215,550	1,163,282	-28,137	formula based	1,135,145
HEA title III, Developing Institutions	141,208	135,136	-	270,000	141,208 <sup>3</sup>
IV-C, College Work Study	592,500	567,023	-64,523	830,000	400,000 <sup>3</sup>
VI, Internat'l Education	26,550	25,408	-25,408	80,000	-0-
Indian Education Act	67,071	64,187	-	100,000	75,729
National Archives & Records Service	97,363	93,176	-	necessary sums	101,321
Center for Statistics	8,747	8,371	-	14,000	12,000
National Endowment for the Arts	165,661	158,538	-	167,000	144,900
National Endowment for the Humanities	140,629	134,582	-1,903	139,878	126,440
Nat'l Historical Publ. & Rec. Commis.	4,000	3,828	-	5,000	-0-
National Institute of Education	51,231	49,028	-	175,000	58,231
Postal revenue foregone subsidy	748,000	715,836	-	39 USC 2401	-0-
Postsecondary Educ. Improvement Fund	12,710	12,163	-2,163	50,000	10,000
Public Telecommunications Facilities	24,000	22,968	-24,000	needs new auth.	-0-
Revenue Sharing	4,185,000	4,005,045	-759,975	needs new auth.	-0-
Science and Math Education	45,000	43,066	-	400,000	75,000 <sup>4</sup>
Women's Education Equity	6,000	5,742	-5,742	14,000	-0-

<sup>1</sup> Balanced Budget-Emergency Deficit Control Act (Gramm-Rudman-Hollings Amendment) requires 4.3% cut as of March 1, 1986.

<sup>2</sup> CPB funded two years in advance. <sup>3</sup> Legislation will be proposed to replace work study & suppl. grants with a combined program. <sup>4</sup> Legislation will be proposed to replace science & math educ. & other teacher training programs.