



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

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FOR 30 DAYS May 30, 1986

B-221498.22

The Honorable Sam Nunn
United States Senate

Dear Senator Nunn:

This responds to your recent request for our comments on a letter from your constituent MSG Jimmy H. Hayes, regarding the application of the Balanced Budget and Emergency Deficit Control Act (Public Law 99-177) to funding for the United States Soldiers' and Airmen's Home.

The principal source of funding for the operation and maintenance of the United States Soldiers' and Airmen's Home is an appropriation made annually by the Congress from the Soldier's and Airmen's Home permanent trust fund. The appropriation for fiscal year 1986 was \$33,391,000. Revenues for the trust fund itself are derived from a variety of sources, including fines adjudged against soldiers by sentence of courts martial, forfeitures on account of desertion, unclaimed monies belonging to the estates of deceased soldiers, and a monthly deduction (not to exceed 50 cents) from the pay of each enlisted man and warrant officer on the active list of the Regular Army and Regular Air Force. 24 U.S.C. §§ 44, 44c. In addition, the Board of Commissioners of the home is authorized to collect from members of the home a fee for its operation. The fee is to be based on the financial needs of the home and the ability of members to pay, but in no case may exceed 25 percent of the monthly military retired pay, civil service annuity, disability compensation, or pension paid to a member. 24 U.S.C. § 44b. We understand that approximately \$4.5 million in such fees were collected in fiscal year 1985 and deposited into the trust fund.

In addition to amounts annually appropriated from the trust fund, the appendix to the President's fiscal year 1987 budget shows that approximately \$144,000 in offsetting collections from other (non-Federal) sources will be used to support the operation of the home in fiscal year 1986.

Under Public Law 99-177, required reductions are to be made in all accounts of the Federal government except those falling within any of the exemptions, exceptions, limitations, or special rules delineated in the Act. There is no generic exemption for payments made from trust funds, although a number of trust funds were specifically exempted. Of three accounts included in the budget for the United States Soldiers' and Airmen's Home, only one, providing funds for the payment of claims, was specifically exempted under the Act. The drafters

of the Act chose not to exempt the appropriation for operation and maintenance of the home from reductions.

For all accounts not covered by an exemption, exception, limitation, or special rule, the Act requires automatic uniform percentage reductions in new budget authority and spending authority. Because the annual appropriation from the United States Soldiers' and Airmen's Home trust fund constitutes new budget authority, it is subject to reduction. Similarly, the authority of a Federal agency or entity to expend collections received in the course of its operations constitutes a type of spending authority, and is also subject to reduction.

Neither this Office, in specifying the reductions required by the Act, nor the President, in carrying out those reductions, had the discretion to depart from the statutory requirements. While we recognize that there may be certain cases in which reductions in individual programs may appear inequitable, the determination that a particular case justifies amendment of the statute is a matter within the judgment of the Congress.

Sincerely yours,

Melton F. Fowler
or Comptroller General
of the United States