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WITHDRAWAL SHEET
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Collection: Baker, James A. III: ~~HODSOLL, FRANCIS (Frank) S.M.~~: Files **Archivist:** mjd/srj

File Folder: [White House] Intergovernmental Affairs (Williamson) Box 3 ~~OA 9107~~ **Date:** 1/15/98

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. memo	Richard Williamson to David Stockman re: construction grants. (1p) [redacted]	11/16/81	~~P5~~ CB 11/20/00

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]
- P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]
- F-1 National security classified information [(b)(1) of the FOIA].
- F-2 Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- F-3 Release would violate a Federal statue [(b)(3) of the FOIA].
- F-4 Release would disclose trade secrets or confidential commercial or financial information [(b)(4) of the FOIA].
- F-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA].
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA].
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

WITHDRAWAL SHEET
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Collection: HODSOLL, FRANCIS (Frank) S.M.: Files **Archivist:** mjd/srj

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f Williamson
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THE WHITE HOUSE

WASHINGTON

November 30, 1981

MEMORANDUM FOR JAMES A. BAKER, III

FROM: RICHARD S. WILLIAMSON RSW/AFH

SUBJECT: TENTATIVE BUDGET DECISIONS

The attached comments have been forwarded to Dave Stockman and Dick Darman regarding the various OMB tentative budget decisions. The concerns expressed reflect both political and policy matters which need to be considered before the Budget Review Committee makes its final decisions.

I look forward to discussing these issues with you when I return from Detroit Tuesday night.

THE WHITE HOUSE

WASHINGTON

November 25, 1981

MEMORANDUM FOR DAVID A. STOCKMAN
RICHARD G. DARMAN

FROM: RICHARD S. WILLIAMSON

SUBJECT: TENTATIVE BUDGET DECISION REGARDING THE DEPARTMENT OF TREASURY

I have no comments regarding the two items included in Dave Stockman's November 13, 1981 memorandum to Dick Darman on the budget decisions in the Treasury Department. However, if there are any proposals to make any changes in the General Revenue Sharing program for FY '83, I would like to know about them and have an opportunity to participate in the appeals process.

THE WHITE HOUSE

WASHINGTON

November 25, 1981

MEMORANDUM FOR DAVID A. STOCKMAN
RICHARD G. DARMAN

FROM: RICHARD S. WILLIAMSON

SUBJECT: TENTATIVE BUDGET DECISION REGARDING THE DEPARTMENT OF COMMERCE

Per the procedure that we have discussed, I will have more detailed comments at a later date on the tentative budget decisions regarding various departments and agencies. However, I wanted to provide you with these preliminary comments regarding the Department of Commerce:

1. The reduction of the export promotion activities of the International Trade Administration will impact particularly heavily on the states of Michigan and Ohio. Both those states already have major difficulties as a result of the economic downturn and the federal budget cuts. Both states also have gubernatorial and senate races in 1982.

2. With respect to phasing out federal support for the Columbia River hatcheries, both Governor Spellman (R-Washington), and Governor Atiyeh (R-Oregon) have objected to the phase-out of these hatcheries. They state that federal dam construction has caused the decline in the Columbia River fisheries and the hatchery program is necessary to sustain the fishing industry. A transition period is needed until state revenues and user fees can be used to fund the hatcheries. (Note that both of these states are suffering from the decline of the forest products industry due to the condition of the housing market caused by high interest rates.)

3. With respect to state coastal zone management grants, almost all the coastal governors have expressed strong interest in this subject.

THE WHITE HOUSE

WASHINGTON

November 16, 1981

MEMORANDUM FOR DAVID STOCKMAN

FROM: RICHARD S. WILLIAMSON Rich

SUBJECT: CONSTRUCTION GRANTS

I received a copy of your memorandum of November 12 to Dick Darman regarding 1983 Budget Decisions -- Environmental Protection Agency.

I was particularly surprised to see your statement on Construction Grants which states:

> "OMB recommends that $1.0B be provided in 1983, assuming enactment of reform legislation consistent with that proposed by the President last April. Congress and the states expect a $2.4B appropriation once reforms are enacted."

On September 24, when the President met with the Executive Committee of the National Governors' Association, he asked you to meet with Governor Matheson to work out the Governors' concerns on this matter. Subsequently you met with Scott Matheson and in that meeting and subsequent discussions with me, you indicated that the $2.4 billion figure "did not matter that much" to you, and that the key was making structural changes to cut down on out-year commitments.

In that negotiations have been going on with Governor Matheson and the National Governors' Association on this matter, I'm amazed that you are now changing course but have notified neither the NGA nor me. It seems to me this is inconsistent with the directions the President gave you on September 24. $1.0 billion funding in 1983 could be fairly interpreted as an abandonment of Federal involvement in this program. It would seem to me that any drastic change of directiion at this time without appropriate consultation with the Governors would be a breach of good faith.

I would like to discuss this with you at your convenience.

cc: James A. Baker, III
Richard G. Darman
Ed Harper

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

NOV 12 1981

MEMORANDUM FOR: DICK DARMAN

FROM: DAVE STOCKMAN DAS

SUBJECT: 1983 Budget Decision - Alert for Senior Staff: Environmental Protection Agency

This is to advise that we are today informing the Environmental Protection Agency of our decisions on their 1983 Budget Request. Included in these decisions are the following items that are particularly sensitive and may, if leaked to the media or elsewhere, attract special attention:

Construction Grants

OMB recommends that $1.0B be provided in 1983, assuming enactment of reform legislation consistent with that proposed by the President last April. Congress and the states expect a $2.4B appropriation once reforms are enacted.

State Grants

OMB recommends that these grants be consolidated and reduced by $78M from the 1982 level of $228M. At this reduced level, some states may threaten to turn these programs over to the Federal Government.

Superfund

For this new program, OMB recommends an increase of $50M over the 1982 level of $175M. Since these levels will not use all funds entering the trust fund from taxes on the oil and chemical industry, accusations can be expected from Congress that the Administration is trying to delay the program and is merely using Superfund revenues to help reduce the deficit.

Ocean Dumping

OMB recommends that a small fee be charged to industry and municipalities to recover the costs of providing this Federal service. No charge would be made on dredge spoil disposal.

New York City, which ocean dumps much of its municipal wastes, will oppose any fee system because it will increase the city's costs to $5M from $3M/yr.

Research and Development

OMB recommends eliminating development of combustion technologies; and long-term "exploratory" research (grants to universities) that is not a direct support of the Agency's regulatory programs. Also reduces funding for lower priority research in several programs throughout the Agency.

Research and Development is reduced more than the shorter-term, regulatory and enforcement programs of EPA. Opposition from the scientific and academic community can be expected.

THE WHITE HOUSE

WASHINGTON

November 30, 1981

MEMORANDUM FOR DAVID A. STOCKMAN
RICHARD G. DARMAN

FROM: RICHARD S. WILLIAMSON

SUBJECT: TENTATIVE BUDGET DECISIONS REGARDING THE DEPARTMENT OF JUSTICE.

The following are my preliminary comments regarding the tentative budget decisions affecting the Department of Justice:

1. Each of these proposals would significantly reduce funding for state and local programs, most of which are of great interest to state and local officials. Law enforcement is an area that the governors have proposed to swap for federalization of other programs. To cut funding without a "sorting out" process could be construed to be a delegation of responsibility to the states without providing a funding source or a reduction in state responsibility in another area.

2. We have said that one of the main priorities of the Reagan Administration is to wage a war against crime. And yet, through the FY '82 budget cuts, we have already sharply reduced the federal government's ability to detect crime, prosecute criminals, and help local police. The proposed cuts in Dave Stockman's November 12, 1981 memo would take this reduction in our crime prevention capabilities a step further. The attached article from the November 8, 1981 Miami Herald discusses the impact of the FY '82 cuts on the battle against crime.

Attachment:
Article from The Miami Herald, November 8, 1981.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

NOV 12 1981

MEMORANDUM FOR: DICK DARMAN

FROM: DAVE STOCKMAN DAS

SUBJECT: 1983 Budget Decision - Alert for Senior Staff: Department of Justice

This is to advise that we are today informing the Department of Justice of our decision on their 1983 Budget Request. Included in these decisions are the following items that are particularly sensitive and may, if leaked to the media or elsewhere, attract special attention:

° Antitrust Division--OMB is recommending an overall reduction of 29% from the Department's 1983 request. This proposal includes: 1) reducing the regional offices by 50%, eliminating Atlanta, Cleveland, Los Angeles and Philadelphia offices (90 staff); 2) eliminating the Competition Advocacy program (77 staff); 3) reducing the Judgment Enforcement program by 1/3 (13 staff), 4) taking a 12% overall cut from the Department's request ($5.6 million and 91 staff) in other support and program areas.

° Drug Enforcement Administration--Justice requested $237.7 million and 3,957 total workyears. The OMB recommendation would eliminate 509 workyears and $35 million. The recommendation would terminate five regional offices, 50 liaison offices, the R&D program, and the State and local training program. Major reductions would also be made in the compliance program dealing with control of licit drugs.

° Immigration and Naturalization Service--The Department has not taken an official position on the cost of the new immigration legislation. After evaluating preliminary Justice estimates of $238 million and 3,081 workyears, OMB is recommending $105 million and 1,000 workyears. The OMB recommendation funds only the alien legalization program. A decision has not been made on whether or not to carry the legislative initiative in final OMB numbers at this time.

° Community Relations Service (CRS)--CRS was established by Title X of the Civil Rights Act of 1964 to provide assistance to communities in resolving disputes, arising from discrimination practices. Justice requested $5.7 million and 97 total workyears. (OMB recommends eliminating the agency.)

° Federal Bureau of Investigation--The Department requested 571 reimbursable total workyears to re-establish fingerprint identification services for State and local non-criminal justice users such as state licensing bureaus. OMB's recommendation does not provide these 571 workyears. Justice requested to continue providing FBI training for State and local law enforcement personnel at Quantico and to continue providing forensic lab services to State and local law enforcement agencies free of cost. Our recommendation would require that user fees be charged for these services--$4M for training at Quantico and $2M for lab services.

- Office of Justice, Assistance, Research and Statistics--requested $12.5M to continue the Public Safety Officers' Benefits Program (PSOB), a program which provides $50,000 to the survivors of a public safety officer killed in the line of duty. The OMB recommendation would eliminate this program.

Reagan's war on crime fails to use money as a weapon

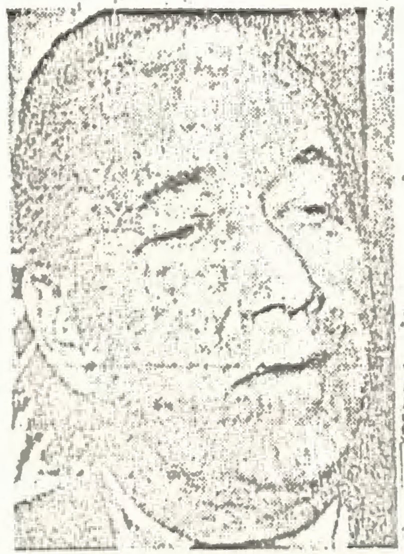
By AARON EPSTEIN
Herald Washington Bureau

WASHINGTON — The Reagan Administration has declared a high-priority war on crime. At the same time, the administration is proposing drastic cuts in its weapons against crime.

The federal government will do its utmost to reduce crime in America, the President pledged recently, and last week Attorney General William French Smith finished presenting Congress with a legislative anti-crime package designed to "bring this menace under control."

Yet an analysis by the Justice Department itself shows that Reagan's latest round of budget cuts would sharply reduce the federal government's ability to detect crime, prosecute criminals and help local police.

With the exception of the Immigration and Naturalization Service, the money reductions sweep across the spectrum of federal law-enforcement activities, hurting drug investigation, payments to witnesses, juvenile programs and the Coast Guard.



Charles Mathias: Can't fight 'on the cheap.'

Even the usually sacrosanct Federal Bureau of Investigation, which escaped Reagan's first round of cutbacks last March, is earmarked for a slash of $44.3 million and a loss of 1,900 employes in the current fiscal year.

The ironies and contradictions include:

• In a speech to the International Association of Chiefs of Police in late September, Reagan spoke of the struggle of federal agents and prosecutors against organized crime and public corruption in these words:

"So, to those in the field who fight this frustrating, sometimes disheartening battle against highly sophisticated forms of crime — this administration stands behind you."

But the Justice study of the 1981-82 budget impact shows that the FBI must "take the reduction in the priority field investigative programs: organized crime, white-collar crime and foreign counterintelligence. The other seven field investigative programs are currently operating at a rock-bottom level."

• The attorney general's anti-crime package — which stresses efficiency, coordination, law reform, and longer sentences without spending more money — proposes many expansions of federal jurisdiction. That would make it possible for federal attorneys to prosecute more criminals.

Yet, an impact study by Senate Judiciary Committee aides indicates that U.S. attorneys, already 14 per cent understaffed and refusing to prosecute 56 per cent of all criminal complaints, will be limited further by new budget cuts, forcing them to prosecute still fewer cases.

• Reagan has called for stepped-up efforts to detect drugs and traffickers overseas and to intercept illegal narcotics imports.

Yet, the Drug Enforcement Administration anticipates a reduction of 32 jobs in foreign investigations, a 10 per cent cut. And at the Customs Service, which is due for a 20 per cent cut, "hardest hit would be tactical interdiction and inspection and control, which has a good record of combating drug-smuggling activities," a Senate Democratic staff report says.

• An internal Justice Department memorandum on drug enforcement calls for more federal money for local-state-federal drug task forces because "narcotics enforcement [at local levels] is an early victim of cutbacks in police manpower."

"Understandably so," the memo adds, "when the alternative is cutting back on visible patrol while the public is demanding protection against violent crime and burglary."

To accomplish a 12 per cent budget reduction, the DEA plans to abolish the task forces.

"The administration's cuts speak louder than the administration's words," says Rep. William J. Hughes (D., N.J.), chairman of the House subcommittee on crime and one of many members of Congress from both parties who are trying to block cuts in anti-crime agencies.

News Analysis

In the Senate, Charles Mathias (R., Md.), chairman of the Senate subcommittee on criminal law, said that drug traffic cannot be crippled "on the cheap."

The attorney general's response to critics is that "you can't throw money at problems" and that what's needed most are more efficient, more targeted, more coordinated agencies working under laws and court rules more favorable to law enforcement.

These are some of the highlights of government assessments of the impact of the Reagan budget cuts:

• FBI — A 1981-82 budget reduction of from $739 million to $694.6 million would cut 340 agents, impose a hiring freeze, eliminate three of four sessions of the National FBI Academy for training state and local officers, hurt the terrorism program, prevent replacement of obsolete laboratory equipment, limit travel and overtime, stop training of state and local agencies in defusing bombs, and cause delays in checking fingerprints and names for local police departments.

• DEA — A total budget reduction from $236.2 million to $201 million would eliminate 211 agents and 223 other employes, reduce travel and overtime by 25 per cent, abolish domestic regional offices and local task forces, cut one-quarter of intelligence analysts, eliminate research and development, slice planned equipment purchases by 65 per cent and impose a two-week unpaid furlough for all employes.

• U.S. Attorneys — Cuts from $194.8 million to $178.5 million would impose a hiring freeze, curtail travel and overtime, limit training and generally "result in increased criminal cases declined for prosecution, fewer affirmative civil cases prosecuted and decreased collections [of fines]." The program of collecting fines, Senate Judiciary Democratic staff members say, "will come to a standstill."

• Witness Fees and Expenses — Numbers of expert, protected and other witnesses testifying for the government would be reduced substantially, according to a Senate staff report.

• Juvenile Justice — Although 25 per cent of violent crime is attributed to juveniles, the administration wants to phase out the U.S. Office of Juvenile Justice, which finances local programs aimed at keeping juveniles out of trouble.

• Coast Guard — A $236-million reduction is expected to curtail anti-smuggling activities and prevent replacement of outmoded equipment.

• Federal Prisons — To avoid closing any prisons, the Justice Department plans to apply the bulk of a $24.5-million reduction to prisoners housed elsewhere. That means inmates will stay in community treatment centers an average of 45 days instead of 100 days.

THE WHITE HOUSE

WASHINGTON

November 30, 1981

MEMORANDUM FOR DAVID STOCKMAN
RICHARD DARMAN

FROM: RICHARD S. WILLIAMSON

SUBJECT: TENTATIVE BUDGET DECISIONS RE THE DEPARTMENT OF HEALTH AND HUMAN SERVICES

Please note the following comments:

1. The proposal to limit refugee assistance funding.

Only one-half of the states have a general assistance program. The second part of this proposal indicates that states will be reimbursed for those refugees who qualify for a state general assistance program during the refugee's 19th to 36th months in this country. For those states without a general assistance program, this proposal would leave refugees without assistance after the initial 18th month period. You should note that Florida is one of those states without a general assistance program. It is also the state with a serious refugee problem due to the influx of Cubans and Haitians.

2. The proposal to consolidate the Headstart Program into the Community Services Block Grant.

This proposal includes a 25 percent reduction in the amount of funding for the Headstart Program that will be included in the block grant. The states have indicated that they can absorb a 10 percent cut in funding when a program is changed from a categorical to a block grant. The additional 15 percent cut will place states under significant pressure to increase their funding of this program.

3. The proposal to consolidate the Foster Care, Adoption Assistance, and Child Welfare Services Programs.

By capping these programs at the September request, these programs will no longer be "entitlements." Again, the states will be placed under significant pressure to pick up the cost of the cut in services.

6. <u>The proposal to transfer the WIC Food Supplement Program from the Department of Agriculture and HHS Developmental Disabilities Program to the HHS Maternal and Child Health Block Grant</u>.

The states will feel that this is an excellent suggestion and makes sense. However, if it is to be accompanied by a 25 percent cut in funding, it will be met with the same kind of reaction noted above.

8. <u>The proposal to consolidate the Low Income Energy Home Assistance and AFDC Emergency Assistance Programs</u>.

The funding levels in this proposal signify a substantial cut in expected funds. The August 1981 reconciliation bill contained a funding level of $1.89 billion for FY '82. Our September request lowered that amount substantially. A $1.3 billion funding level for FY '83 would not only indicate a further cut in the Low Income Energy Assistance Program, but also would delete the $500 million funding for the AFDC Emergency Assistance Program. These cuts will impact heavily in the Northeast and Midwest. It should be noted that this will cause an additional reduction om federal grants to the Midwest industrial states, all of which are governed by Republican Governors.

THE WHITE HOUSE

WASHINGTON

November 30, 1981

MEMORANDUM FOR DAVID A. STOCKMAN
RICHARD G. DARMAN

FROM: RICHARD S. WILLIAMSON

SUBJECT: TENTATIVE BUDGET DECISIONS REGARDING THE DEPARTMENT OF TRANSPORTATION

The following are my preliminary comments on the tentative budget decisions affecting the Department of Transportation:

1. We can expect strong opposition from the states to the reduction in the federal aid highway programs and the elimination of highway safety grants. Transportation is one of the program areas for which the governors have been willing to assume full responsibility. Their enthusiasm will be significantly dampened when they see these major cutbacks.

2. The governors and mayors can also be expected to strongly oppose the 45 percent reduction in mass transit operating subsidies.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

November 16, 1981

MEMORANDUM FOR: DICK DARMAN

FROM: DAVE STOCKMAN

SUBJECT 1983 Budget Decision - Alert for Senior Staff: Department of Transportation

This is to advise that we are today informing the Department of Transportation of our decisions on their 1983 Budget Request. Included in these decisions are the following items which are particularly sensitive and may, if leaked to the media or elsewhere, attract special attention:

- The Federal-aid highways program is reduced from the Administration's pending bill on the Hill. Obligations are over $1 billion less in 1983 and $800 million less in 1984 than proposed by the Administration in March.

- Aviation user taxes will be increased in 1982 by $400 million (to $2.7B) over pending legislation. Funds to procure FAA owned facilities and equipment are reduced by $300 million from the 1983 agency request, and the airport construction grant program and aircraft purchase loan guarantee program are eliminated.

- Passenger rail (Amtrak) is changed from a nation-wide system to a system consisting of the Northeast Corridor and six short distance routes.

- Northeast Corridor Improvement Program funding is terminated, as are the following freight rail assistance programs: State branchline grants, preference share loans, and loan guarantees.

- Mass transit operating subsidies are further reduced in 1983 (45% from the 1982 level) and Interstate highway transfer projects in large cities are reduced 46% below the 1982 level.

- Maritime ship construction funding is eliminated, loan guarantees for ship construction are reduced by a third, and operating subsidies have been cut for the first time.

- Coast Guard user fee proposal of $200 million is to be initiated in 1983, while its capital program is reduced 20% and military personnel (civil activities) are reduced in both 1982 and 1983.

- Highway safety State grants (Sec. 402) are eliminated in 1983.

THE WHITE HOUSE

WASHINGTON

November 30, 1981

MEMORANDUM FOR DAVID A. STOCKMAN
RICHARD G. DARMAN

FROM: RICHARD S. WILLIAMSON

SUBJECT: TENTATIVE BUDGET DECISION REGARDING THE DEPARTMENT OF LABOR

The following are my preliminary comments on the tentative budget decision regarding the Department of Labor:

1. The replacement of the CETA program with a block grant to the governors can be expected to generate very strong opposition from cities and counties. During meetings in June, 1981, the President promised that there would be consultations with mayors before any new block grants were proposed which impacted upon the cities.

2. Requiring the states to establish a community work experience program for the welfare population will pose major Administrative problems for the states. Imposing a new administrative requirement on the states is contrary to the federalism philosophy of this Administration.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

EXTREMELY SENSITIVE
CLOSE HOLD

November 17, 1981

MEMORANDUM FOR: Dick Darman

FROM: David A. Stockman DAS

SUBJECT: 1983 Budget Decision - Alert for Senior Staff: Department of Labor

This is to advise that we are today informing the Department of Labor of our decisions on its 1983 budget request. Included in these decisions are the following items that are particularly sensitive and may, if leaked to the media or elsewhere, attract special attention.

-- Replacement of the CETA program of grants to cities, counties and States with a block grant to Governors, that can be used, if States desire, in close coordination with vocational education.

-- Current nationally contracted employment and training programs for older Americans, Trade Adjustment Assistance, Indians, Migrants, and other special groups would be replaced by a single program, with the division of the appropriation among the groups up to the Secretary or specified in law, or the Secretary chooses.

-- The Job Corps would be cut in half.

-- There would be no separate program for Summer Youth Employment.

-- The Work Incentive Program for AFDC recipients would be eliminated in favor of our proposals to provide community work programs for the welfare population.

-- Total 1983 appropriation for training and employment programs would total $1,565 million compared to the $3,793 million included in the current 1982 request.

THE WHITE HOUSE

WASHINGTON

November 30, 1981

MEMORANDUM FOR DAVID A. STOCKMAN
RICHARD G. DARMAN

FROM: RICHARD S. WILLIAMSON

SUBJECT: TENTATIVE BUDGET DECISIONS REGARDING THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The following are my preliminary comments regarding the tentative budget decisions of the Department of Housing and Urban Development:

1. Phasing out Community Development Block Grants will be very unpopular with state and local officials. It will be perceived as a breach of faith by the Administration with respect to the block grant process. The block grants have already been criticized for being under-funded. This proposal would underscore that criticism.

2. Phasing out Urban Development Action Grants will greatly damage our relationships with local officials. It makes no sense to phase out this program at the same time it is being reviewed by Secretary Pierce and the Cabinet Council on Commerce and Trade. This is particularly true when we have no urban policy with which to replace the UDAG program.

I will have additional comments at a later date on the other portions of the HUD memorandum.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

November 20, 1981

MEMORANDUM FOR: DICK DARMAN

FROM: DAVE STOCKMAN DAS

SUBJECT: 1983 Budget Decision - Alert for Senior Staff: Department of Housing and Urban Development

This is to advise that we are informing the Department of Housing and Urban Development of our decisions on their 1983 Budget Request on Tuesday, November 24, 1981. Included in these decisions are the following items that are particularly sensitive and may, if leaked to the media or elsewhere, attract special attention:

° The elimination of all HUD subsidized housing new production starting in 1982.

° A modification to the Section 8 Existing program to make it more nearly resemble a housing voucher (as recently recommended by the President's Housing Commission) has been approved but vouchers will be provided in lieu of current high cost HUD subsidized housing units, rather than in addition to those units.

° Subsidized housing units that have not yet started construction will be eliminated to the maximum extent feasible.

° The shift to a less expensive voucher and the elimination of new construction units will result in rescissions of billions of dollars of HUD budget authority.

° Rent increases will be greatly accelerated with some tenants in HUD subsidized housing units experiencing increases in excess of 40 percent in one year.

° FHA mortgage insurance commitments have been reduced in 1983 to $24 billion (a 31% reduction from the 1982 limitation) primarily reflecting the decision to limit FHA's sale to serving only those homebuyers the private market is not currently serving and is incapable of serving adequately in the future.

° GNMA loan guarantee commitments for mortgage backed securities have been reduced 20% and commitment fees have been doubled to facilitate private sector competition in the secondary housing market and the eventual phase-out of GNMA by 1987.

- Community Development Block Grants: It was decided to phase-out this program by 1984, beginning in 1982. This will require a 1982 rescission of $1.1 billion to $1.5 billion (depending on the exact size of the 1982 appropriation provided) in order to provide only $2,150 million in 1982. 1983 funds will be $1,075 million.

- Urban Development Action Grants: It was decided to phase-out this program by 1984, beginning in 1982. This will require a 1982 rescission of $140 million to $200 million (depending on the exact size of the 1982 appropriation provided) in order to provide only $300 million in 1982. 1983 funding will be $150 million.

THE WHITE HOUSE

WASHINGTON

November 30, 1981

MEMORANDUM FOR DAVID A. STOCKMAN
RICHARD G. DARMAN

FROM: RICHARD S. WILLIAMSON

SUBJECT: TENTATIVE BUDGET DECISIONS REGARDING THE CORPS OF ENGINEERS

The following are my preliminary comments on the tentative budget decisions regarding the Corps of Engineers -- Civil.

1. With respect to new water projects, these are extremely sensitive to western governors and Members of Congress. President Carter's popularity in the West never recovered from his "hit list" of western water projects. I would like to have an opportunity to review this $45 million contingency fund very carefully and to know how it may differ from current funding levels and procedures.

2. With respect to inland waterways and deep-draft ports, Virginia and Delaware are very concerned about deep-draft ports to export coal. Inland waterways are important to the mid-western governors who would like increased use of the Great Lakes Ports.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

MEMORANDUM FOR: DICK DARMAN November 13, 1981

FROM: DAVE STOCKMAN DAS

SUBJECT: 1983 Budget Decision - Alert for Senior Staff: Corps of Engineers — Civil

This is to advise that we are today informing the Corps of Engineers - Civil of our decisions on their 1983 Budget Request. Included in these decisions are the following items that are particularly sensitive and may, if leaked to the media or elsewhere, attract special attention:

— $45 M will be included in contingencies for new water projects. Funds would be requested as budget amendments for specific projects at such time as upfront financing and cost sharing arrangements are agreed upon with local sponsors, and OMB completes a policy review of each project.

— Agency personnel levels will be declining throughout FY 1982-1984. This will likely require the closing of some district offices in FY 1984. Agency ceilings for total FTE are FY 1982: 32,173; FY 1983: 30,564; FY 1984: 28,935.

— A portion of the funds for construction and O&M of inland waterways and deep draft ports will be included for later transmittal, pending enactment of the Administration's user fee proposals.

Attachment

Monday

JAB has Rec'd 3/19/81 MDT

MEMORANDUM

→ JAB

Shld this be on breakfast agenda tomorrow, or is it already settled?

J.

THE WHITE HOUSE

WASHINGTON

March 2, 1981
1:00 p.m.

CONFIDENTIAL

TO: JAMES A. BAKER III
EDWIN MEESE III

FROM: RICHARD S. WILLIAMSON

SUBJECT: TASK FORCE ON COMMUNITY DEVELOPMENT SUPPORT PROGRAMS

Per our meeting this morning, it was agreed that the FY '82 budget will have a Community Development Support Program item for $4.166 billion. This will be a new account for new programs. However, it was agreed further that this would include existing activities under the entitlement grants, discretionary grants, HUD Secretary's discretionary funding and UDAG. We discussed UDAG funding for FY '82 at the level of approximately $500 million.

It was agreed further that a task force would be established to work out the specific formula of our framework for the Community Development Support Program. This task force would report back by March 25.

I suggest that the following individuals be designated as participants on this task force: Edwin Meese III, James A. Baker III, Secretary of HUD Sam Pierce, Director of OMB Dave Stockman, Martin Anderson and/or Bob Carlson from Policy and Development, and myself.

Consistent with the functions of my office, I would like to coordinate the input from the various state and local officials into this task force to ensure their systematic participation in the decision making of this task force.

I would suggest that the members of this task force be designated within the next 48 hours.

4/1 Sent to Rich Williamson

Is this taken care of, or do you want Beka to follow-up?

THE WHITE HOUSE

WASHINGTON

March 14, 1981

NOTE FOR RICH WILLIAMSON

FROM: FRANK HODSOLL Frank

Attached is a letter from Joe Pollard (local rep of the L.A. Board of Supervisors) who I met during the refugee meeting. I have written him (attached) that I am sending this on to you. I am retaining the information he sent us on L.A. assistance to Indo-Chinese refugees.

ATTACHMENT

THE WHITE HOUSE

WASHINGTON

March 14, 1981

Mr. Joseph M. Pollard
Board of Supervisors
County of Los Angeles
1735 New York Avenue, N.W.
Suite 500
Washington, D.C. 20006

Dear Joe:

Thank you for your letter of March 11.

Since it deals primarily with the issue of how to organize the White House intergovernmental relations function, I am passing it on to Rich Williamson, who is Assistant to the President in this area.

Our meeting on refugees was, from my perspective, helpful. The June 1980 survey you provided to me on Los Angeles assistance payments to Indo-Chinese refugees is very helpful. Needless to say, the issue of whether or not to extend the time period within which refugee assistance can be provided is a priority for the Task Force chaired by the Attorney General.

Kind regards,

Sincerely,

Frank

F.S.M. Hodsoll
Deputy Assistant to the President

CC: Rich Williamson
Assistant to the Presidnet
for Intergovernmental Affairs

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

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JOSEPH M. POLLARD
WASHINGTON REPRESENTATIVE — LEGISLATIVE COORDINATOR

March 11, 1981

Mr. Frank Hodsel
Deputy Assistant to the
President and Deputy
Chief of Staff
The White House
Washington, D.C. 20500

Dear Frank:

It was indeed a pleasure to meet you the other day. The time spent, prior to the refugee meeting, was particularly productive in that we had the opportunity to discuss the operation of the Office of Intergovernmental Relations and the activities and programs that the County performs vis-a-vis the cities.

I mentioned to you, and I wish to reiterate, that I firmly believe that one staff person assigned responsibilities that would include cities, counties, and women's issues would be unable to handle the complex and diverse problems inherent in these three areas.

It would be my recommendation, at this time, that separating these functions in the following manner would be more constructive to your operation in terms of productivity and service. One staff person each for 1) Governors and State Legislators, 2) Cities, 3) Counties, and 4) Women's issues.

Another option, in the event the above is not feasible, would be to assign one staff person for 1) Governors, State Legislators, and Counties, 2) Mayors and Cities, and finally 3) Women's issues.

It is my humble opinion, after observing the Intergovernmental Relations operation for the past fifteen years, that a moderate service to this constituency would enhance the Administration in their eyes; less than that tends to embarrass the Administration in a negative way.

I offer these suggestions in a constructive sense, and hope that you receive them in the light they are intended.

I appreciate the time given us to discuss the Refugee problem, and hope we can count on your assistance in extending the time on this vital piece of legislation.

Sincerely yours,

Jon

Joseph M. Pollard
Legislative Coordinator

JMP:yr

THE WHITE HOUSE

WASHINGTON

February 11, 1981

MEMORANDUM FOR RICH WILLIAMSON

FROM: FRANK HODSOLL F.

SUBJECT: Mayor Barry's Desire to Attend "Dance Theater of Harlem"

Nell Yates has brought to my attention Barry's desire to use the Presidential box. This is fine by us, but we need a sponsor to host the evening. Would you be willing to do this; or would Mel Bradley be a good guy to host if we could get him?

Would you let me know.

THE WHITE HOUSE
WASHINGTON

2/9/81

Reminder:

Mr Hodsoll;

Any decision on offering Pres. Box "Dance Theater of Harlem" to Mayor Barry? If so, who will host?

Nell