



U.S. CONSUMER PRODUCT SAFETY COMMISSION
WASHINGTON, D.C. 20207

MINUTES OF COMMISSION MEETING
January 5, 1994
4330 East West Highway
Bethesda, Maryland

The January 5, 1994, meeting of the U.S. Consumer Product Safety Commission was convened in open session by Chairman Jacqueline Jones-Smith. Commissioner Mary Sheila Gall was present.

Agenda Matter: Fiscal Year 1995 Budget Revision

The Commission considered revisions to CPSC's previously submitted fiscal year (FY) 1995 budget request in light of the Office of Management and Budget's (OMB) proposed funding level for CPSC of \$39.2 million. The OMB level is a reduction of \$3.1 million from the agency's 1994 appropriation and \$5 million below the Commission's original 1995 request to OMB. Under cover memorandum dated January 4, 1994, the Executive Director presented proposals for reducing staff and operations to meet the OMB proposed funding level and proposed that the Commission communicate this impact to OMB and the Congress in accordance with Section 27(k)(1) of the Consumer Product Safety Act and recommend in the alternative that Congress consider CPSC's original submission of \$44.2 million.

Following questions and discussion, the Commission voted unanimously (2-0) on motion of Chairman Jones-Smith to direct the staff to: (1) transmit to OMB the proposals considered at today's meeting regarding the Commission's operation at a FY 1995 funding level of \$39.2 million; (2) simultaneously transmit to the appropriate committees of the Congress the Commission's response to OMB; and, (3) prepare for Commission consideration a submittal to the Congress for early February, 1994, which tracks the agency's September 1993 budget request and proposes a funding level of \$44.2 million and 496 full-time equivalent staff positions (FTEs).

Minutes of Commission Meeting
January 5, 1994

Chairman Jones-Smith and Commissioner Gall each filed a statement concerning the FY 1995 budget, copies of which are attached.

There being no further business on the agenda, Chairman Jones-Smith adjourned the meeting.

For the Commission:

A handwritten signature in cursive script that reads "Sadye E. Dunn".

Sadye E. Dunn, Secretary

Attachments



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STATEMENT OF COMMISSIONER MARY SHEILA GALL
ON THE FY 1995 BUDGET SUBMISSION
OF THE
CONSUMER PRODUCT SAFETY COMMISSION

January 5, 1994

This afternoon, I voted to transmit to the Office of Management and Budget the staff's recommended proposals for implementing the Administration's severe budget cuts at the Commission. While the Commission is required to engage in this exercise, my vote does not signal agreement with the Administration's proposed budget. I have also voted to direct the staff to prepare for Commission consideration a submittal to the Congress for early February, 1994, which tracks the agency's September 1993 budget request and proposes a funding level of \$44.2 million and 496 FTEs for fiscal year 1995.

The Clinton Administration's recommendation of funding the Commission at \$39.2 million for FY 1995 is of grave concern. The need to eliminate 54 positions by October 1 of this year will require us to conduct a reduction-in-force. The Bush Administration funded this agency at a level which enabled CPSC to fulfill its historical mandate. The Clinton Administration has proposed a budget which would greatly reduce and significantly alter the Commission's ability to meet our responsibilities to the American people.

I share the President's commitment to streamlining government and reducing the deficit. In fact, the Commission, through its long-range plan and recent budget submissions, had met and even surpassed the President's initial directives which could have been achieved while safeguarding the mission and operations of the Commission.

However, the additional across-the-board reductions, which are reflected in OMB's proposed budget, will cripple the staff and frustrate the Commission's efforts to fulfill its legal responsibilities. Further, this effect will be heightened should Congress enact new legislation directing the Commission to take action in a diversity of product areas.

While each agency will argue that its particular programs are unique and beneficial, there are few like CPSC where the return on each appropriated dollar can be so great. For example, the Commission's recent action mandating child-resistant cigarette lighters is expected to save more than a 100 lives per year. It will also dramatically reduce the estimated 1200 burn injuries and 5000 residential fires that occur each year. In past budget submissions, we have shown that agency efforts in just four product areas save society nearly \$2.5 billion each year, a many-fold return on the Federal Government's annual investment in consumer product safety.

At a time when health care costs are rapidly rising, these benefits should not be overlooked by this administration. Reducing agency injury prevention work is inconsistent with the President's initiative to reduce health care costs.



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**Statement of
Chairman Jacqueline Jones-Smith
on the 1995 Budget Proposal**

January 5, 1994

The Office of Management and Budget (OMB) has given CPSC a 1995 budget mark of \$39.2 million. Because of CPSC's internal decision-making procedures, a formal vote by the Commission is required to submit the agency's plan for operation at that level. My vote today that the staff transmit this information to OMB in no way indicates my support for this budget. I do not support a \$39.2 million level for this agency.

During my tenure, over a three year period, the CPSC budget has increased a total of 22 percent. This increase has been characterized by responsible, incremental investments necessary to make the agency realistically solvent in order to carry out its important mission.

These investments have not funded fluff but have resulted in management and program improvements such as, the reinstatement of priority projects, an increase in NEISS hospitals to a statistically representative sample, refined hazard screening and analysis, improved standards and enforcement activities, enhanced productivity through computerization and staff training and empowerment of a more diverse American population with vital safety information.

These investments in CPSC have yielded tremendous returns for the American consumer, such as responsible standards, including a standard for child resistant cigarette lighters, which has the potential to save more lives than any standard issued in the agency's 20 year history; recalls, including the largest electric heater recall in the history of the agency; national safety efforts including an effort to increase the number of residences with working smoke detectors and voluntary standards including safety innovations such as carbon monoxide detectors and ground fault circuit interrupters. These are but a few examples of the recent successes of this agency that have accrued to the American public as a result of increased funding.

The \$39.2 million mark is a step backwards. This mark is \$3.1 million below the CPSC's current operations level. Because the agency is small and salary intensive, the \$39.2 million level would require a reduction-in-force (RIF) of 15 percent. Even with the efficiency and productivity enhancements that have been made thus far, this reduction will significantly impact the present and future injury prevention work of the agency.

The CPSC's actions result in immediate reductions in the nation's health care costs. Preventable injuries in or around the home or in recreation areas are leading contributors to rising health care costs. Nonfatal consumer product injuries account for one in every six hospital days and one in every 10 hospital discharges. In the last decade alone, the Commission's work made a significant contribution to the 20 percent reduction in the annual death and injury rate. This saved billions in dollars associated with emergency room treatment. For an agency with a budget of a little more than \$40 million, this is an excellent return on the American taxpayer's dollar.

The Commission is the only Federal agency that identifies and systematically acts to reduce consumer product safety hazards. The OMB mark will devastate the Federal presence in consumer product safety and it challenges the Administration's commitment to carrying out the Consumer Product Safety Act.

The proposed mark tells the Commission that OMB does not appreciate the significance of the agency's work. Reducing CPSC's injury prevention work is inconsistent with the President's initiative to reduce health care costs.

The Congress and consumer groups are constantly asking the Commission to do more; the proposed reduction to \$39.2 million for 1995 will be seen as -- and is in fact -- a backwards step that seriously weakens a valuable tool in the President's efforts to reduce health care costs.

I have advised OMB of these concerns both personally and in writing. If OMB does not appreciate the agency's role, it is incumbent upon the CPSC, as an independent agency, to seek Congress' assistance in realistically funding this valuable tool in health care cost containment.

For these reasons my colleague and I directed the staff to resubmit to the Congress next month the CPSC's budget proposal for 1995 that was developed in September. I believe the September 1995 budget proposal is a sound one. The September proposal of \$44.2 million is a fiscally

responsible proposal that addresses deficit reduction and allows the agency to pursue its important mission. It is my hope that Congress will seriously consider this proposal when deliberating the CPSC's 1995 budget.

I make this final note to avoid any misconception. We are all aware that the agency recently relocated to this modern facility. The \$6.3 million appropriated for relocation came from a funding source completely separate from CPSC's programmatic appropriation. In other words, the lower OMB mark is in no way related to our recent move.

I thank the staff for its diligent efforts in preparing the 1995 budget.