OPERATING EXPENSES, UTILIZATION AND DISPOSAL SERVICE

PURPOSE OF THE PROGRAM

From 1963 through 1967, appropriations under this head financed all utilization and disposal for excess and surplus real and personal property, except for certain costs for auctioneers, brokers, and advertising addressed under "Expenses, Disposal" sections of the Digest. Funds appropriated were derived from proceeds of sales of surplus property, and were available for obligation only during the year for which they were enacted.

GSA also operated, on a reimbursable basis with the Agency for International Development, a small minor repair facility at the former Cheli Air Force Base, near Los Angeles, California. Selected items of excess property were checked for operability, subjected to minor repair, and readied for overseas shipment.

Prior to establishment of the Utilization and Disposal Service on July 1, 1961, utilization and disposal of surplus real and personal property was financed, respectively, from the appropriations "Operating Expenses, Public Buildings Service" and "Operating Expenses, Federal Supply Service."

AUTHORITY FOR THE PROGRAM

The program was authorized by the Federal Property and Administrative Services Act of 1949, as amended.

HISTORY OF THE PROGRAM

See the section of the Digest on "Operating Expenses, Property Management and Disposal Service", a successor appropriation.

DESCRIPTION OF BUDGETARY ACTIVITIES

1. Real Property. This activity provided for (a) the utilization of excess and disposal of surplus real property, including national industrial reserve properties; (b) protection and maintenance of excess, surplus, and national industrial reserve properties; and (c) payments in lieu of taxes on certain properties as required by law.

2. Personal Property. This included three major subactivities:

a. Utilization and Donation: Accomplished maximum utilization of reported excess usable personal property by screening against needs of Federal agencies and effecting transfers to obviate new purchases. Remaining items were either: (1) donated to states and their subdivisions, or other authorized donees, for educational, public health, or civil defense purposes; or (2) declared surplus and available for sale. Budget estimates were based on estimated dollar volume, at original acquisition cost, of excess property to be transferred among agencies for further utilization; unit costs were based on past-years' experience.

b. Sales: Personal property surplus to Government need was offered for sale to the public, with sales receipts generally returned to the Treasury. In 1950, disposal of certain residual World War II surpluses was handled under this activity; it was then discontinued and not reinstituted until 1956. Through 1959, this activity reflected the cost of providing sales assistance to other agencies, primarily DOD; beginning in 1960, emphasis had shifted to actual sales operations by GSA, mainly on behalf of civilian agencies. Budget estimates were based on the prior year's unit cost per $100 of proceeds, applied to the volume of proceeds projected for the budget year.

c. Property Rehabilitation: Provided for the administration of a program of rehabilitating or modifying personal property that was in long supply or damaged, primarily office furniture and equipment. The actual work was usually performed by contract or by Federal Prison Industries. Budget estimates were based on a unit cost per $100 of acquisition cost of the property to be rehabilitated, plus the estimated actual cost of rehabilitation.

3. Service Direction. General supervision over all programs assigned to the UDS was provided by the Commissioner and his Central Office staff, and by a Regional Director in each region.

4. Administrative Operations. Financial, administrative, legal, program and policy planning, and automatic data processing services were provided to all UDS activities by the integrated GSA staff organization. They were initially paid for from the "Administrative Operations Fund", and reimbursed by deposits from the OE, UDS appropriation.

APPROPRIATION LANGUAGE

The initial appropriation under this head was made in the Independent Offices Appropriation Act, 1963. After a minor change in 1964, language remained the same through 1967, after which activities were merged with certain others under a successor appropriation, Operating Expenses, PMDS.

> "For necessary expenses, not otherwise provided for, incident to the utilization and disposal of excess and surplus property, and rehabilitation of personal property, as authorized by law, $_____, to be derived from proceeds from the transfer of excess property and the disposal of surplus property."

BUDGETARY HISTORY OF APPROPRIATIONS
$(Thousands)

Fiscal Year	Prelim. Estimate	Estimate to BoB	Presidents Allowance	House Bill	Senate Bill	Appropriations Enacted Amount	P. L.	Date

1963	--	9,200	8,800	8,500	8,500	8,500	87-741	10/3/62
Suppl.		270	270	256	256	256	88-25	5/17/63
1964	10,050	10,050	10,000	9,275	9,500	9,388	88-215	12/19/63
1965	10,200	10,200	10,150					
(Amended in H. Doc. 240)			10,052	9,512	9,512	9,512	88-507	8/30/64
1966	10,000	9,800	9,800	9,600	9,600	9,600	89-128	8/16/65
1967	9,600	9,346	9,346	9,000	9,000	9,000	89-555	9/6/66

FUNDS AVAILABLE, OBLIGATIONS, AND OUTLAYS
$(Thousands)

Fiscal Year	Approp-riations	Transfers	Total Available	Obligations	Unoblig. Balances	Outlays
1961	--	6,642 1/	6,642	6,642	--	Not Avail.
1962	--	8,233 2/	8,233	8,026	207	7,437
1963	8,756	370 3/	9,126	9,058	68	8,604
1964	9,388	- 28	9,360	9,202	158	8,592
1965	9,512	--	9,512	9,000	512	8,961
1966	9,600	- 123	9,477	8,908	569	8,951
1967	9,000	--	9,000	8,824	176	9,076

1/
Comparative budget transfer from OE, PBS for acquisition & disposal activity and part of buildings management activity ($3,576); and from OE, FSS for utilization and sales activity ($3,066).

2/
Actual transfers from OE, PBS ($4,443), and OE, FSS, ($3,958); and to Expenses, Supply Distribution", ($168).

3/
Actual transfer from OE, FSS.

OBLIGATIONS BY BUDGETARY ACTIVITIES
$(Thousands)

	FY 1961	FY 1962	FY 1963	FY 1964	FY 1965
Real Property	3,260	3,403	3,833	3,636	2,822
Utilization & Disposal	1,387	1,367	1,746	1,693	1,800
Protection & Maintenance	1,533	1,771	1,835	1,746	1,693
Payments in Lieu of Taxes	340	265	252	197	201
Personal Property	2,755	3,424	3,883	4,287	4,688
Utilization & Donation	2,043	2,182	2,478	2,615	2,866
Sales	712	949	1,042	1,169	1,232
Property Rehabilitation	--	293	363	503	590
Service Direction	--	411	482	512	600
Administrative Operations	627	788	860	767	890
TOTAL OBLIGATIONS	6,642	8,026	9,058	9,202	9,000

NOTES:

- 1961, shown for comparability, reflects appropriations made to OE, PBS and OE, FSS.
- 1962 reflects actual transfers from OE, PBS and OE, FSS.

- For comparability, 1966 and 1967 data are shown under the successor account, "Operating Expenses, Property Management and Disposal Service."

EMPLOYMENT DATA BY BUDGETARY ACTIVITIES

	--------Real Property--------			-----Personal Property-----			------Service Direction------			---------Grand Total---------		
	C.O.	Field	Total	C.O.	Field	Total	C.O.	Field	Total	C.O.	Field	Total
1961												
Perm. Positions	41	112	153	51	301	352	--	--	--	92	413	505
Average Empl.	40	104	144	48	258	306	--	--	--	88	362	450
Avg Grade/Salary	GS 9.0/$7,766			GS 7.6/$6,695		--	--	--		GS 8.0/$7,019		
1962												
Perm. Positions	40	121	161	62	346	408	22	26	48	124	493	617
Average Empl.	36	107	143	58	321	379	20	21	41	114	449	563
Avg Grade/Salary	GS 9.1/$7,857			GS 7.7/$6,738			GS 8.7/$7,947			GS 8.2/$7,124		
1963												
Perm. Positions	42	122	164	64	363	427	27	27	54	133	512	645
Average Empl.	38	114	152	59	334	393	22	26	48	119	474	593
Avg Grade/Salary	GS 9.0/$8,328			GS 7.9/$7,319			GS 8.8/$8,479			GS 8.3/$7,673		
1964												
Perm. Positions	43	123	166	67	368	435	26	29	55	136	520	656
Average Empl.	39	118	157	60	353	413	21	25	46	120	496	616
Avg Grade/Salary	GS 9.2/$9,057			GS 8.1/$7,823			GS 8.9/$9,202			GS 8.4/$8,251		
1965												
Perm. Positions	41	121	162	67	372	439	24	31	55	132	524	656
Average Empl.	38	115	153	62	354	416	23	29	52	123	498	621
Avg Grade/Salary	GS 9.3/$9,606			GS 8.1/$8,263			GS 8.8/$9,541			GS 8.4/$8,704		

WORKLOAD AND PERFORMANCE DATA FOR SELECTED OPERATIONS

$(Millions)

	FY 1961	FY 1962	FY 1963	FY 1964	FY 1965
REAL PROPERTY					
Excess reported during year (Acquisition cost)	1,116	696	801	469	658
Utilization Transfers (Acquisition cost)	87	97	145	178	242
Sales (Acquisition cost)	413	442	360	340	260
Donations (Acquisition cost)	143	191	122	171	221
PROPERTIES ON HAND, END OF YEAR (Acquisition cost):					
Excess	366	408	442	328	313
Surplus	820	765	879	822	855
REVENUES:					
Property (Selling price)	71.6	78.9	77.8	90.0	46.3
Rentals	.9	1.4	1.6	1.3	1.0
PERSONAL PROPERTY					

Utilization Transfers (Acquisition cost)	310.1	362.7	475.1	623.0	676.6
Sales, Usable Property (Acquisition cost)	24.4	39.8	39.5	65.8	69.8
Donations (Acquisition cost)	387.7	350.7	343.8	392.5	407.8
Property Rehabilitated (Acquisition cost)	13.4	21.0	22.9	53.4	73.6
REVENUES:					
Usable Property Sales	3.6	5.8	7.5	9.3	10.2
Scrap Sales	.5	.6	.7	.8	1.1