Appropriations: Senate passes FY 2010 Homeland Security Appropriations; Heads To President For Signature


The bill includes $4.17 billion in Homeland Security Grants, almost $300 million above the request, for grants to first responders and partners in homeland security, including:

- State Grants: $950 million, matching the request and 2009, for grants used to plan, equip and train local first responders to respond to terrorist attacks and catastrophic incidents, including $60 million for Operation Stonegarden.
- Urban Area Security Grants: $887 million, matching the request and $50 million above 2009, to help high-risk urban communities prevent, respond to, and recover from terrorist attacks.
- Port Security Grants: $300 million, $50 million above the request, to assist ports in enhancing maritime domain awareness and enhancing risk management capabilities to prevent, detect, and respond to terrorist attacks.

The bill provides $60 million, $40 million below 2009, to help states comply with REAL ID, which requires state driver’s licenses to meet new standards in order to be used for federal identification purposes. Of this total, $50 million is for the driver’s license security grant program, the same as 2009, and $10 million is for REAL ID hub development.

The bill also provides for a three year extension of the E-Verify program.


Further information on the bill can be found at: http://www.calinst.org/bul2/b1629.shtml#TOC1_3 or http://appropriations.senate.gov.
HEALTH: SENATE QUASHES ATTEMPT TO FIX PHYSICIAN MEDICARE PAYMENTS

By a 47-53 vote, the Senate fell far short of the 60 votes needed to invoke cloture on a bill to end steep cuts in Medicare rates paid to physicians. Called the “doc fix,” S. 1776 would have permanently repealed the 1997 formula used by Medicare to set payments to doctors. The formula severely limits the amount doctors can charge Medicare patients. In the past, Congress has passed annual legislation overriding the physician payment formula for the short-term.

There is widespread opposition to the formula, because opponents fear doctors will stop taking Medicare patients if they cannot be adequately reimbursed for the visits. The problem, however, has been how to pay for the estimated $245 billion it would cost to repeal the formula. S. 1776 does not contain offsetting revenue provisions to pay for the fix, and that triggered the lopsided vote against moving forward on the bill.

After the defeat, Senate Majority Leader Harry Reid stressed that the issue would be dealt with after the Senate completes work on comprehensive health care reform. The House Democratic leadership has also promised to pass a long-term fix, with offsetting spending cuts, by the end of this session.

ENERGY: SENATE ENERGY REVIEWS GREENHOUSE GAS EMISSION ALLOWANCES

On October 21, 2009, the Senate Energy and Natural Resources Committee held a hearing on the costs and benefits for energy consumers and energy prices associated with the allocation of greenhouse gas emission allowances. Witnesses included: Denny Ellerman, Center for Energy and Environmental Policy Research, Massachusetts Institute of Technology; Gilbert Metcalf, Tufts University; Karen Palmer, Resources for the Future; and Chad Stone, Center on Budget and Policy Priorities.

According to Gilbert Metcalf of Tufts University, cap and trade legislation acts like a tax in raising the price of carbon based fuels and other covered inputs that release greenhouse gases. "Raising the price of carbon based fuels is an essential component of a greenhouse gas control program. Higher prices send the appropriate market signals to consumers to reduce consumption of carbon-intensive products and to firms to adjust production processes to reduce greenhouse gas emissions…to guide the economy to more productive and socially efficient outcomes." Metcalf urged the committee to develop a "simple and transparent mechanism that engenders public trust in the stewardship of these public atmospheric rents."

Witnesses and committee members discussed the impact of proposed cap and trade legislation on low income households. Chad Stone of the Center on Budget and Policy Priorities, indicated that the Waxman-Markey bill passed by the House contains provisions to protect low-income households from incurring financial losses as a result of the cap and trade program created under the bill. "The challenge," said Stone, "in a cap and dividend approach is how to design a delivery mechanism that reaches low-income households…(because) a tax based policy alone would fail to reach the millions of low-income households that do not file tax returns… The House provisions ensure that the average person in the poorest fifth of the population does not incur a financial loss as a result of climate change legislation."

California Capitol Hill Bulletin, October 22, 2009
Witnesses also discussed the impact of proposed legislation on the cost of electricity. "The traditional approach of allocating emissions allowances to electricity generators will result in regional disparities in the electricity price effects of a climate policy, in part because of different regulatory frameworks across states," said Karen Palmer of Resources for the Future. "In those states where prices are set by regulators, the price of electricity will not reflect the value of emissions allowances that the utility obtained free of charge. However, in regions with deregulated generation markets, the value of emissions allowances used to produce electricity will be reflected in the electricity price even if they were received for free."

More information and full witness testimony can be found at: http://energy.senate.gov/public/.

**Homeland Security: House Subcommittee Reviews Cargo Security**

The House Homeland Security Subcommittee on Border, Maritime and Global Counterterrorism held a hearing on October 22, 2009 on “Cargo Security at Land Ports of Entry: Are We Meeting the Challenge?”

Witnesses were: Mr. Todd Owen, Executive Director, Cargo and Conveyance Security, Office of Field Operations, Customs and Border Protection; Ms. Janice Ayala, Deputy Assistant Director, Office of Investigations, Immigration and Customs Enforcement; Ms. Colleen M. Kelley, National President, National Treasury Employees Union; and Mr. Stephen Russell, Chairman and CEO, Celadon Group, Inc., (representing American Trucking Associations).

In her opening statement, Chairwoman Loretta Sanchez (Anaheim) pointed out that there are over 160 land border crossings between the northern and southern borders, 43 of which are dedicated to commercial use only, and many of which are operated and staffed 24 hours a day. She also stated that over 11 million truckloads and 2 million railcars come through those ports annually, contributing to over $338 billion dollars and $109 billion worth of imports respectively. With that in mind, she said, the challenge was to ensure security at cargo and truck crossings, while also facilitating trade. She also noted that currently ports of entry are experiencing infrastructure limitations and staff shortages that result in overworked officers, while at the same time, a new wave of violence has hit many major ports, as a result of increases in human trafficking, and cash and cocaine trafficking. She stated that she supports increasing the officer staff at Customs and Border Protection and hopes to move an authorization to address that problem.

Director Owen discussed in detail the cargo security programs CBP applies to all modes of transportation, including: advance information requirements, the Customs Trade Partnership Against Terrorism (C-TPAT) and Free Secure Trade (FAST) programs, the Container Security Initiative and the Southwest Border Initiative. The SBI, announced in March, is aimed at cracking down on Mexican drug cartels. Owen discussed the enhanced border security, increased personnel, and enhanced intelligence technology being used to protect the southern border. He also pointed out that an additional $30 million in Operation Stonegarden grants to state, local, and tribal law enforcement has increased CBP’s ability to coordinate and deter violence, illegal immigration, and illegal trafficking at the border.

Ms. Ayala detailed for the subcommittee the coordination and information sharing initiatives currently underway between ICE, CBP, state and local governments, other agencies of the federal government, and foreign governments. She said that the these initiatives have allowed these authorities to operate “in a truly complementary fashion, by harnessing each agency’s particular authorities and expertise in more efficient ways as opportunities arise to secure the border and our land ports of entry.”

Testimony of all the witnesses can be obtained at: http://homeland.house.gov.

**Housing: Witnesses Urge Senate Committee to Extend Homebuyer Tax Credit**

On Oct. 20, 2009, the Senate Banking, Housing and Urban Affairs Committee held a hearing on the state of the nation's housing market. Witnesses included: Sen. Johnny Isakson (GA); Diane Randall, Executive Director, Partnership for Strong Communities; Ronald Phipps, First Vice President, National
Association of Realtors; Emile J. Brinkmann, Chief Economist and Senior Vice President for Research and Economics, Mortgage Bankers Association; and David Crowe, Chief Economist, National Association of Home Builders.

According to the National Association of Home Builders, between January of 2006 and January of 2009, sales of existing homes fell by one-third, from 6.72 million to 4.49 million, and total housing starts fell 79 percent, from 2.27 million to 488,000; single family housing starts fell by more than 80 percent, from a peak of 1.82 million at the start of 2006 down to 357,000 in the first two months of 2009. The inventory of new unsold homes on the market increased to a record high of more than 12 months supply. "At present," said Mr. Crowe, "in order to obtain a mortgage, buyers need exceptionally good credit and access to timely and accurate appraisals, which are often not available. These factors reduce the pool of eligible buyers well below the level we would otherwise expect."

Senator Isakson and other witnesses urged the Committee to extend the existing homebuyer tax credit that expires on November 30th, and to make it available to all buyers who purchase a home for their principle residence and whose joint income is $300,000 or less. Senator Isakson also advocated that the FDIC be required to revisit its interpretation of mark-to-market rules in terms of real estate development loans and other similar assets.

More information and complete witness testimony can be found at: http://banking.senate.gov/public.

**EDUCATION: ENGINEERING AND K-12 EDUCATION SUBCOMMITTEE URGED TO INCREASE COORDINATION TO IMPROVE STEM**

On October 22, 2009 the Research and Science Education Subcommittee of the House Science and Technology Committee held a hearing to examine the potential benefits of, challenges to, and current models for, incorporating engineering education into grades K-12. In recent years, a small but increasing number of education stakeholders have advocated for pre-college engineering education. They argue that the current science, technology, engineering, and mathematics (STEM) education system is out-dated given the skills needed by today’s 21st century workforce.

Hearing witnesses included: Linda Katehi, Chairwoman, National Academy of Engineering Committee on K-12 Engineering Education, and Chancellor, University of California at Davis; Ioannis Miaoulis, President and Director, Museum of Science, Boston; Darryll Pines, Dean and Professor, University of Maryland, College Park, Md.; Rick Sandlin, Principal, Martha and Josh Morriss Mathematics and Engineering Elementary School, Texarkana, Texas

According to the Committee, over the past decade, many reports have documented the decreased interest and achievement in STEM education among American students. In 2005, the National Academies report, *Rising Above the Gathering Storm*, stated the importance of STEM education in maintaining the U.S.’s competitiveness in the 21st century global economy; the report cited vast improvements in science and math education as the top policy recommendation. After the release of the report, the Committee created legislation, the America COMPETES Act, to address these recommendations. In 2007, COMPETES (P.L. 110-69) was signed into law. Advocates for K-12 engineering education argue that incorporating engineering concepts into traditional science and math education is a yet untapped way to attract more students, and a more diverse student population, to STEM subjects.

In September 2009, the National Academy of Engineering (NAE) and the National Academies’ Center for Education released a report, *Engineering in K-12 Education: Understanding the Status and Improving the Prospects*. The report, which was developed under the leadership of Linda Katehi, Chairwoman, National Academy of Engineering Committee on K-12 Engineering Education, and Chancellor, University of California at Davis, studied K-12 engineering curricula and instructional practices, and provided recommendations for future research and practice. Chancellor Katehi stressed the need for greater coordination among key stakeholders to develop common definitions and grade-level appropriate goals, as well as more research on the impacts of engineering education and potential models for implementation.

For more information visit: http://science.house.gov/.
REPORTS: LA COUNTY RELEASES TWO REPORTS ON GENERAL RELIEF

On October 8, 2009, the Los Angeles County’s Chief Executive Office (CEO) and Department of Public Social Services released two reports on the County’s General Relief (GR) population. The first report, *Using Adult Linkages Project Data for Determining Patterns and Costs of Services Use by General Relief Recipients in Los Angeles County*, looks at multi-departmental patterns of services utilization among General Relief (GR) recipients and estimates the fiscal impact these patterns have on the County.

The second report, *The General Relief Housing Subsidy and Case Management Pilot Project: An Evaluation of Participant Outcomes and Cost Savings*, analyzes results GR recipients generated in participating in a pilot project that provided them with housing subsidies and case management. The pilot was conducted in six County service districts and yielded both significant cost savings and positive outcomes in the areas of employment, Supplemental Security Income (SSI) eligibility, and homelessness prevention. Based on these results, the report recommends countywide implementation of the piloted housing subsidy program.

The release of the reports coincided with the Board of Supervisors’ approval on October 6, 2009 of the County’s plan to restructure GR in ways that will make the program more effective and efficient. According to the CEOs Office, both reports have had a significant impact on the development of the restructuring plan. The County is hopeful that this influence will ultimately find its way into larger conversations about the most humane and cost effective ways to deal with the growing problems of homelessness and poverty in cities across the United States.

To obtain the reports go to: [http://ceo.lacounty.gov](http://ceo.lacounty.gov).