To expand communications between Washington and California, the California Institute provides periodic news bulletins regarding current activity on Capitol Hill and other information that directly impacts the state. Bulletins are published weekly during sessions of Congress, and occasionally during other periods.

ECONOMY: SENATE PASSES EDUCATION/STATE AID BILL; HOUSE TO RETURN FOR VOTE

The Senate, on August 4, 2010, invoked cloture and cleared the way for passage of a bill to provide Medicaid assistance to states and underwrite teachers’ salaries to prevent layoffs. H.R. 1586 provides a total of $26.1 billion. $10 billion is to backstop teacher salaries; the remaining $16.1 billion will be used to extend for six months the increase in federal Medicaid reimbursement payments to states to help offset the increase in Medicaid recipients because of the recession. The FMAP increase, as it is known, is currently set to expire on December 31, 2010. The cloture vote was 61-38; on August 5th, the Senate voted 61-39 to pass the bill.

The Senate breakthrough led House Speaker Nancy Pelosi (San Francisco) to call the House back from its August recess to vote on the bill and send it to the President for passage. The House is expected to vote on Tuesday, August 10th, and then continue their break which will end September 14, 2010. The Senate is expected to adjourn for the August break at the end of this week.

The House is expected to easily pass H.R. 1586 when it returns. However, some Members are concerned over the offsets used in the bill to pay for the increased funding. The offsets include $11.9 billion gained by ending increased food stamp benefits in 2014, which were part of the economic stimulus bill (ARRA/P.L.111-5). The bill also takes $1.5 billion away from the renewable energy loan program funded under the stimulus. Additionally, certain foreign tax credits used to decrease taxes paid by multinational corporations that are based in the U.S. but have operations and pay taxes abroad would be eliminated, saving about $9 billion.

California is expected to receive about $1.2 billion to preserve about 16,500 teaching jobs under H.R. 1586. The state will also continue to receive the additional 6.2 percent in federal Medicaid reimbursement enacted under ARRA.

APPROPRIATIONS: HOUSE PASSES FY11 TRANSPORTATION - HUD APPROPRIATIONS

The House passed its FY 2011 Appropriations for the Departments of Transportation and Housing and Urban Development by a vote of 251 to 167 on July 29, 2010, before adjourning for its August recess. The bill would establish within the Department of the Housing and Urban Development an office to develop initiatives to help urban, suburban, and rural communities plan for and create affordable places to live and work. As passed by the Appropriations committee, the bill is $1.34 billion below the President’s request and $500 million below FY 2010 levels.
Significant elements in the bill include:

- Highway Infrastructure: $45.2 billion, $4.1 billion above 2010 and $3.9 billion above the request to improve and repair highway infrastructure.

- Public Transportation Investments: $11.3 billion, $500 million above 2010 and $575 million above the President’s request, to support bus and rail projects, including capital expenditures.

- Public Housing Capital Fund: $2.5 billion, $455 million above the request and matching 2010 to help Public Housing Authorities make critical repairs and improvements to public housing units and improve living conditions for residents, including green and sustainable rehabilitation.

- HOPE VI: $200 million, not requested and matching 2010, for grants to rehabilitate distressed public housing neighborhoods by transforming them into sustainable mixed-income communities.

- Community Development Block Grant (CDBG): $4.38 billion, $127.9 million above 2010 and $2 million above the budget request, to spur local construction and development.

- Passenger Rail Grant Program: $1.4 billion, $400 million above the request, to expand and improve intercity passenger rail and develop a robust national high speed rail system

- Amtrak: $1.77 billion; $201.9 million above 2010 and $151.5 million above the budget request to make capital investments including improvements to Amtrak’s fleet and upgrades to Amtrak stations to ensure they are accessible for the disabled.

- Foreclosure Mitigation and Housing Counseling Funds: $113 million, equal to the request, to support foreclosure counseling for families through NeighborWorks America and $88 million, equal to the request, for the Department of Housing and Urban Development’s housing counseling assistance program to provide help for low and moderate income families before they purchase a home.

- Veterans Affairs Supportive Housing Vouchers: $75 million, not requested, for housing vouchers for homeless veterans, coordinated with supportive services from the VA Medical Centers. This funding will support 10,000 new vouchers and supports the effort to end veteran homelessness.

- Housing and Services for Homeless Persons Demonstration: $85 million, equal to the request, for a new demonstration coordinated between HUD and HHS to couple housing vouchers and mainstream health services for 10,000 homeless persons and individuals

- Public Housing Operating Fund: $4.849 billion, $54 million above 2010 and equal to the request, to support public housing units’ maintenance and energy costs.

- Section 8 Tenant Based Rental Assistance: $19.4 billion, $1.2 billion above 2010 and $155 million below the request, to renew all vouchers currently in use and allow more than two million low income families to stay in their homes.

- Section 8 Project-Based Rental Assistance: $9.4 billion; $819 million above 2010 and equal to the President’s request, to support the 1.3 million units of housing assisted. The average annual income of a resident of this form of housing is $11,217, and more than 57 percent are either elderly or disabled.
- Housing for the Elderly: $825 million; $551 million above the request, to support affordable housing for the elderly by constructing approximately 3,200 new units and keeping over 50,000 elderly Americans in their homes.
- Housing for the Disabled: $300 million; $210 million above the request, to support affordable housing for the disabled by constructing approximately 1,400 new units and help keep over 13,000 Americans with disabilities in their homes.
- Indian Housing Block Grant: $700 million; $120 million above the request, to support and construct affordable housing for American Indians.
- Housing for Persons with AIDS (HOPWA): $350 million; $15 million above FY 2010 and $10 million above the budget request to prevent homelessness among persons with AIDS.
- Homeless Assistance Grants: $2.2 billion; $335 million above 2010 and $145 million above the President’s request to provide permanent and transitional housing for homeless families and individuals.
- Reverse Mortgages: $140 million; $110 million below the request, to support elderly homeowners and assist them in keeping their homes rather than forcing them to move to expensive assisted living facilities. This level of assistance will keep the program running in 2011 at expected volume levels.
- Aviation Safety Programs: $1.3 billion, $70.42 million above 2010 and $10.5 million above the request, for the Federal Aviation Administration’s (FAA) safety enforcement efforts, including $17 million to hire 122 additional safety inspectors to assist with NextGen development and the oversight of foreign repair stations.
- Highway Safety Programs: $841.2 million for the programs of the National Highway Traffic Safety Administration, $36.4 million below the request and $31.5 million below 2010, to make America’s roads safer by encouraging safety belt use, preventing drinking and driving, improving child safety, enhancing motorcyclist safety, and other initiatives.
- Distracted Driving Prevention Initiative: $50 million, reallocated within the Highway Traffic Safety Grants program, to fund a new incentive grant program for states that enact and enforce laws to prevent distracted driving with a focus on texting bans, as requested.
- Railroad Safety Technology Program: $75 million, $25 million above 2010 and $75 million above the request, to provide grants to help deploy positive train control (PTC) systems, which perform a critical safety function on rail lines with mixed freight and passenger traffic.
- Livable Communities: $150 million within HUD and $527 million within DOT to advance sustainable practices and to catalyze integrated housing, transportation and energy planning for metropolitan and rural communities.
- Brownfields Redevelopment: $17.5 million; $17.5 million above the request and equal to the level provided in 2010, to return once-contaminated sites to productive use. This funding will remove blight and spur economic development on formerly vacant commercial and industrial sites.
- Cleaner Aviation Fuels: $30.6 million, $10 million above the budget request, to accelerate the FAA’s research and development into renewable jet fuels and unleaded aviation gas.

Significant cuts include:
- National Infrastructure Innovation and Finance Fund (I Fund): No funding is provided for this new initiative, requested by the President at $4 billion. The Committee documents state that the program is unauthorized and should include a broader scope of infrastructure investments beyond transportation.
- Transforming Rental Assistance: No funding is provided for this new initiative, requested by the President at $350 million. Again, according to the Committee documents, the program is unauthorized and has significant future costs, and the implications of this proposal are not yet clear.
- Catalytic Competition Grants: No funding is provided for this new initiative, requested by the President at $150 million. The Committee states that the program is unauthorized and is duplicative of activities in the CDBG program.

For more information, go to: http://appropriations.house.gov.
HOUSING: SENATE BANKING COMMITTEE PASSES LIVABLE COMMUNITIES ACT
On August 3, 2010, the Senate Banking Committee passed the Livable Communities Act (S. 1619). The bill would promote sustainable development and enable communities to cut traffic congestion; reduce greenhouse gas emissions and oil consumption; protect farmland and green spaces; revitalize existing Main Streets and urban centers; spur economic development; and create more affordable housing.

The bill would create the Comprehensive Planning Grant Program, a program that would foster livable communities by helping communities develop comprehensive regional plans that incorporate transportation, long-term affordable and accessible housing, community and economic development, and environmental needs. Selection criteria and eligible activities are flexible to allow all sizes and types of communities - rural, suburban, and urban - to plan for a more sustainable future. The Act authorizes $475 million in competitive grant funds over four years.

The bill would also create the Challenge Grant Program, which would enable communities to implement cross-cutting projects according to their comprehensive regional plans. With $2.2 billion authorized for competitive grants over three years, these projects would help communities create and preserve affordable housing; support transit-oriented development; improve public transportation; create pedestrian and bicycle thoroughfares; redevelop brownfields; and foster economic development. Communities that aren’t ready to undertake a regional comprehensive plan can apply for more targeted grants to update local land use, zoning, and building codes to promote sustainable development or improve building code enforcement to increase energy efficiency and disaster resilience.

The bill also establishes an Interagency Council on Sustainable Development to bring together the Department of Housing and Urban Development (HUD), the Department of Transportation, the Environmental Protection Agency, and other federal agencies to identify federal barriers to sustainable development at the local level. The Council would coordinate federal sustainable development policies and research agendas and promote coordination of transportation, housing, community development, energy, and environmental programs to eliminate paperwork and bureaucratic delays for state and local partners implementing complex projects involving multiple federal agencies.

Finally, the bill establishes an Office of Sustainable Housing and Communities within HUD to administer the Department’s sustainability initiatives; implement and oversee Livable Communities grant programs in coordination with the Interagency Council; and provide guidance, best practices, and technical assistance to ensure that communities of all sizes learn from each other’s successes.

For more information, visit: http://banking.senate.gov/.

AGRICULTURE: U.S. AGRICULTURAL TRADE POLICY DISCUSSED AT HEARING
On August 4, 2010, the Senate Agriculture, Nutrition and Forestry Committee held a hearing on efforts to promote agricultural exports, focusing on U.S. agricultural trade policy and the farm bill’s trade title.

U.S. Senator Blanche Lincoln, Ark., Chairman of the Senate Agriculture, Nutrition and Forestry Committee, highlighted the need to create thousands of long-term jobs and expand U.S. agricultural exports by relaxing trade and travel restrictions with Cuba. Today’s hearing is the third that Lincoln has held as she leads the Committee in reauthorizing the 2012 Farm Bill. Ambassador Ron Kirk, Joe Mencer of Lake Village, Arkansas, and Dwayne Rhodes of Springdale, Arkansas, were among those who testified.

“Agriculture is a sector of our economy where we are proving that we can successfully meet the export demands that will help rebuild the U.S. economy,” Lincoln said. “For every additional one billion dollars of agricultural products we export, we can create 9,000 jobs. These are long-term jobs that we desperately need.”
Lincoln noted that after 50 years of continued restrictions, our policy with Cuba continues to fail to yield results, adding that less restrictive policies will help to usher in an era marked by exponential trade and economic growth. “Relaxing trade and travel restrictions with Cuba would nearly double the amount we currently export annually and generate increased business activity valued at $1.1 billion, creating 6,000 new jobs,” Lincoln said. “I currently have a bill that will do just this. It will open this market once and for all, providing a boon to Arkansas’s agricultural exporters like rice and poultry producers, who are poised to prosper and profit significantly, with fewer trade restrictions. I will continue to fight to see Congress take it up this year.”

“Increased travel to Cuba will boost food demand in the country and provide the funds to purchase U.S. commodities,” said Board Member of USA Rice Federation, USA Rice Producers’ Group, and Arkansas Rice Producers’ Group Joe Mencer, of Lake Village, Arkansas. “U.S. producers and the agriculture industry would expect to meet the increased food needs … We urge support and passage of legislation that would allow for open agricultural trade and travel to Cuba.”

“This committee’s leadership on international trade issues is recognized and most appreciated,” said Vice President of International Sales for Tyson Foods Duane Rhodes, of Springdale, Arkansas. “I must thank you, Chairman Lincoln, Ranking Member Chambliss, and the other Committee Members for working closely and diligently with the Administration to re-open the Russian market for U.S. poultry … the strong support of the Congress on this difficult trade issue was a major factor in helping to convince Russian President Dmitri Medvedev to conclude an agreement to restore U.S.-Russian poultry trade.”

Others who testified at the hearing today include Danny Murphy, Vice President of the American Soybean Association and Brent Roggie, General Manager and Chief Operating Officer for the National Grape Cooperative Association (on behalf of the National Council of Farmer Cooperatives).

Lincoln pressed the U.S. Department of Agriculture to finally pursue long-delayed regulations increasing federal inspections of imported fish marketed as catfish. The Chairman noted that nearly one-third all of all catfish sold in the U.S. is imported from Vietnam and China, where fish farming environments and standards are far less controlled and incidents of contamination is greater than in the U.S., posing a significant health risk for U.S. consumers.

In conjunction with the Farm Bill hearing, the Committee also held a markup of the Livestock Mandatory Price Reporting Act (S. 3656), which amends the Agricultural Marketing Act of 1946 to require the creation of an electronic price reporting program for dairy products and extends the authority for the LMPR program. The bill was successfully reported out of Committee.

More information can be found at: http://agriculture.senate.gov/.