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.

Appropriations: Senate Appropriations Approves Funding Allocations

The Senate Appropriations Committee marked up several appropriations bills on September 7, 2011, and approved the 302(b) subcommittee funding allocations for FY 2012. Articles on the three appropriations bills for fiscal year 2012 – Agriculture, Energy-Water, and Homeland Security – appear elsewhere in this Bulletin.

The overall funding allocation for FY 2012 is $1.043 trillion in discretionary spending. It is $6.8 billion below the level approved for fiscal year 2011 and $79.2 billion below the President’s request. Appropriations Chairman Daniel Inouye (HI) stated at the markup: “Together with the funding reductions approved for fiscal year 2011, the Congress has cut the Administration's request for these two years by more than $157 billion. This makes our funding recommendations the largest reduction by Congress of any President's requests in history over this two year period.”

Inouye also pointed out that under the recently approved Debt Ceiling Act, the Committee was provided the authority to include up to $11.3 billion for disaster relief without offset. For FY12, however, Committee recommended that a total of $5.5 billion be allocated for disaster relief.

Inouye said, “the total that is being recommended is less than half the amount set aside for disasters and is consistent with the validated estimates from FEMA, the Army Corps of Engineers, and the Department of Agriculture for costs above amounts budgeted.” He did note, however, that “the amounts could be adjusted as the affected bills continue to move through the legislative process if and when additional cost estimates are confirmed.”

Senator Harry Reid (NV), the Senate Majority Leader, announced on September 7th that he would separate the $6 billion Disaster Relief Fund money from the Homeland Security Appropriations bill and bring a stand alone measure to the Senate floor to provide FEMA with disaster money.

A chart of the Committee’s 302(b) allocations for each subcommittee can be found at: http://appropriations.senate.gov.
APPROPRIATIONS: SENATE APPROPRIATIONS REPORTS FY12 ENERGY & WATER BILL

On September 7, 2011, the Senate Appropriations Committee reported its FY 2012 Energy and Water funding bill, H.R. 2354. The vote was 28-2. The Energy and Water Subcommittee, chaired by Sen. Dianne Feinstein, reported the bill unanimously the day before.

The FY 2012 bill provides a total of $31.625 billion for the Army Corps of Engineers, the Department of the Interior, and the Department of Energy (DOE). The legislation is $57 million below the FY2011 enacted level, and about $1 billion above the House-passed version. The bill’s funding is divided into security and non-security accounts. The security accounts are made up of funding for the National Nuclear Security Administration and these received a $528 million increase over fiscal year 2011. The non-security accounts received an allocation $584 million below fiscal year 2011. The bill also provides $1.045 billion in disaster relief funding to repair damaged infrastructure from flooding on the Mississippi and Missouri Rivers and from Hurricane Irene and Tropical Storm Lee.

Funding levels in the bill include:

Department of Energy

The bill provides $25.549 billion for the Department of Energy, including:

- The Advanced Research Projects Agency-Energy (ARPA-E) would receive $250 million, $70 million more than fiscal year 2011, to develop high-risk, but promising future energy technologies;
- The Office of Science would receive $4.843 billion, the same as fiscal year 2011 to focus on breakthroughs in energy applications and develop the next-generation high performance computing systems;
- Energy and Efficiency and Renewable Energy programs would receive $1.796 billion, the same as fiscal year 2011, to advance solar, biomass, and vehicle technologies;
- Electricity and Energy Reliability would receive $141 million, the same as fiscal year 2011, to support renewable energy integration into the electric transmission grid.

Army Corps of Engineers

The bill provides $4.864 billion for the Army Corps of Engineers – $291 million above the President’s budget request and $101 million more than the House bill, including:

- General Investigations would receive $125 million, which is $2 million below fiscal year 2011;
- Construction, General funding would receive $1.610 billion, which is $180 million below fiscal year 2011;
- Operations and Maintenance would receive $2.360 billion, which is $6 million below fiscal year 2011.

Department of the Interior

The Subcommittee legislation would provide $1.067 billion for the Department of the Interior. This level is $16 million above the President’s budget request and $133 million above the House bill, including:

- The Bureau of Reclamation’s California Bay-Delta Restoration account would receive $40 million, which is equal to the budget request.
- The Central Valley Project Restoration Fund account would receive $53 million, which is $3 million above fiscal year 2011.
- The Water and Related Resources account would receive $886 million, which is $26 million below fiscal year 2011.

The California Institute will prepare a more thorough report on the California implications of the bill in the near future.

The Senate Appropriations Committee’s summary of the bill can be found at: http://appropriations.senate.gov/.

**APPROPRIATIONS: SENATE COMMITTEE REPORTS FY12 HOMELAND SECURITY APPROPRIATIONS**

The Senate Appropriations Committee reported its FY 2012 Department of Homeland Security Appropriations on September 7, 2011. H.R. 2017 was approved by a vote of 28-2. The Committee’s Homeland Security Subcommittee reported the bill the day before.

The legislation totals $41 billion in discretionary budget authority, $2.6 billion below the President’s request, $666 million (-1.6%) below FY 2011, and $408 million above the House-passed bill. In addition, the bill includes a $4.2 billion increase above the Administration’s request for the FEMA Disaster Relief Fund.

Major funding provisions in the bill include:

**Federal Emergency Management Agency (FEMA)**
- $6 billion for the Disaster Relief Fund, $3.35 billion above FY 2011, and about $2.3 billion more than the funding passed by the House in June before the most recent disasters. Because of past disasters, the balance in the Disaster Relief Fund is below $592 million and the Committee stated it is assessing the need for further appropriations as more detailed information becomes available on the damage caused by recent disasters.

- $1.04 billion for FEMA Operating Expenses, $31 million above the President’s request and $12 million above the House. Within the total, $41.3 million is included for Urban Search and Rescue Teams, $6 million above FY 2011.

- $2.58 billion for state and local grants, $557 million above the House level. The Committee states that it “rejects the House proposal to eliminate the Urban Area Security Initiative, Port Security Grants, and Transit Security Grants and other programs and replace them with a block grant.” Included in the total is:
  - State Homeland Security Grant Program - $430 million. Within the total, Operation Stonegarden receives $50 million;
  - Urban Area Security Initiative - $400 million;
  - Emergency Operations Centers - $15 million;
  - Port Security grants receive $200 million;
  - Transit Security grants receive $200 million;
  - No specific funding is provided for Citizens Corps, Driver’s License Security, Buffer Zone Protection Program, Metropolitan Medical Response System and Interoperable Emergency Communications grants. Activities previously funded under these programs are eligible in the funded programs;
  - $750 million for fire equipment and firefighter hiring. Additionally, waivers of certain provisions of the SAFER program are included.

**U.S. Customs and Border Protection (CBP)**

The bill provides $11.660 billion, $415 million above FY 2011 for CBP. This level:
- Funds 21,370 Border Patrol agents, sustaining the increased levels approved in the FY 2010 Supplemental and 21,186 CBP officers working at U.S. ports of entry, including 312 new officers and additional canine teams, as requested;

- Provides $400 million for border fencing and technology. The Committee cites significant delays in deploying technology along the border and excessive unobligated balances as the reason for reducing the funding by $173 million from the FY11 level; and

- Adds $5 million and directs CBP to work within existing laws to increase collection of antidumping and countervailing duties and implement aggressive options to level the trade playing field for U.S. companies.

U.S. Immigration and Customs Enforcement (ICE)

The bill provides $5.846 billion, $34 million above FY 2011. This level:

- Supports full funding of 33,400 detention beds;

- Fully funds the request for the Secure Communities program and provides a total of $2.724 billion for detention and removal operations;

- Provides $20 million for an initiative to address the visa overstay backlog and enhance critical domestic and international investigations enforcing customs and immigration laws; and

- Provides the funding to maintain current staffing levels for Special Agents and immigration officials, including the agents and officers previously hired in support of investigations on the Southwest border.

National Protection and Programs Directorate (NPPD)

- The bill provides a total of $1.25 billion, $37 million above FY 2011.

- The bill provides $297.4 million for the US-VISIT program, $36.5 million below FY 2011.

- The bill provides $918 million for Infrastructure Protection and Information Security, $80 million above FY 2011, including cyber security and critical infrastructure protection. This includes $450 million for cyber security efforts, an increase of $87 million above FY 2011.

United States Citizenship and Immigration Services (USCIS)

The bill provides $121 million in direct appropriations, $25.3 million below FY 2011. This level:

- Fully funds the $102.4 million request to maintain and improve the employment eligibility verification system known as E-Verify;

- Provides $8 million for grants supporting immigrant integration activities;

Federal Law Enforcement Training Center (FLETC)

The bill provides $272.4 million, $1.6 million above FY 2011.

The California Institute will prepare a more thorough report on the California implications of the bill in the near future.

The Senate Appropriations Committee’s summary of the bill can be found at: http://appropriations.senate.gov/.

**APPROPRIATIONS: SENATE COMMITTEE APPROVES FY12 AGRICULTURE/FDA APPROPRIATIONS**

On September 7, 2011, the Senate Appropriations Committee reported its FY12 Appropriations for Agriculture, Rural Development, and the Food and Drug Administration, H.R. 2112. The bill was approved by a vote of 28-2.

Overall discretionary spending for the bill totals $19.780 billion versus the House-passed level of $17.081 billion and the FY11 enacted level of $19.918 billion in discretionary spending.

The Committee’s recommendation represents a net security/non-security decrease of $138 million below the Fiscal Year 2011 level. Non-security spending alone is reduced by $192 million below the Fiscal Year 2011 continuing resolution. The bill also includes $266 million to respond to floods, storms, and other natural disasters.
Some of the funding priorities in the bill include:

**Food and Drug Administration**

The FY 2012 bill provides $2.497 billion for the Food and Drug Administration, as compared to $2.447 billion in FY 2011, not including funding collected through user fees. The Food and Drug Administration is the only non-security agency in the bill that received increased funding from the Committee. The Committee noted that the funding level takes into consideration the federal government’s responsibilities to protect public health and safety, especially in the areas of food, drugs, medical devices and biologics, and that an increase is provided to the FDA to begin implementation of the recently passed Food Safety Modernization Act.

**Domestic Nutrition**

The bill provides $6.582 billion for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), as compared to $6.734 billion in FY 2011, and $6 billion in the House bill. The Senate level will fully fund participation in the program, according to the Committee. The decrease from FY 2011 is due to lower program participation rates than originally estimated, according to the Committee. The funding level also provides $60 million for breastfeeding peer counselors. For other domestic nutrition programs, the FY 2012 bill provides $382 million, as compared to $393 million in FY 2011. This includes funding for the Commodity Supplemental Food Program of $176 million, which fully funds participation.

**Research**

The FY 2012 bill provides $2.309 billion for the National Institute on Food and Agriculture (NIFA) and the Agricultural Research Service, as compared to $2.348 billion in FY 2011. Specifically within NIFA, the Agriculture and Food Research Initiative is funded at $266 million, the Hatch Act is provided $236 million, the McIntire-Stennis Cooperative Forestry program is funded at $33 million, and $296 million is provided to Smith-Lever Sections 3(b) and 3©.

The California Institute will prepare a more thorough report on the California implications of the bill in the near future.

The Senate Appropriations Committee’s summary of the bill can be found at: [http://appropriations.senate.gov/](http://appropriations.senate.gov/).

**Appropriations: House Unveils Transportation/HUD Appropriations**

The House Appropriations Committee reported its FY12 Appropriations for the Departments of Transportation and Housing and Urban Development.

In total, the bill includes $55.15 billion in discretionary spending – a reduction of $19.8 billion below the President’s request and $217 million below last year’s level.

Some of the major provisions in the bill include:

**Transportation**

The bill includes $16.7 billion for the Department of Transportation for fiscal year 2012, which is $3 billion above last year’s level and $15.8 billion below the President’s request.

- **Highways** – The bill provides $27.7 billion for the Federal Highway program, $14.1 billion less than enacted for fiscal 2011 and $42.7 billion less than the President’s request. The Committee documents state that this level is “the highest amount supportable by the Highway Trust Fund for fiscal year 2012. The highway program still requires reauthorization to operate beyond September 2011, and the Committee is prepared to support a higher Highway Trust Fund spending level, should a new, multi-year authorization bill be enacted. The bill does not contain a rescission of highway contract authority from the states.”

- **Transit** – The bill contains a total of $1.8 billion for the Federal Transit Administration (FTA), which is $1.9 billion below the President’s request and an increase of $169 million over last year. The legislation also provides $5.2 billion in state and local bus grants – the amount estimated to be available from the Mass Transit Account (trust fund) for fiscal year 2012, according to the Committee. Like the highway program, the transit program still requires reauthorization to operate beyond September 2011, and
the Committee stated that it is prepared to support a higher formula bus spending level should a new,
multi-year authorization bill be enacted.

The legislation also limits transit capital investments – only funding “Small Starts” projects and
those projects that have signed Full-Funding Grant Agreements with the FTA prior to November 1, 2011.
The legislation also includes language that prohibits new Full-Funding Grant Agreements if the project is
more than 50% federally funded.

**Housing and Urban Development (HUD)**

The legislation includes a total of $38.1 billion for the Department of Housing and Urban
Development, a decrease of $3 billion below last year’s level and $4 billion below the President’s request.
The Committee specifically states that “the bill does not contain funding for any new “sustainable,”
“livable,” or “green” community development programs.”

**Section 8 and Public Housing** – Included in the bill is $24.5 billion for Public and Indian housing.
This is a decrease of $1.3 billion below last year and $2.3 billion below the President’s request. According to
Committee documents, “this spending cut is largely due to administrative and capital reductions, allowing
the bill to provide funding to renew every individual and family in the program to ensure that no critical
benefits are eliminated or cancelled. For example, the bill includes provisions to: allow HUD to prioritize
new funding on Public Housing Agencies (PHA) that need it the most; cap PHA director salaries; and
defund public housing units that were included in the failed ‘stimulus’ bill.”

Within the total funding, some housing programs are increased, including: $75 million ($25 million
more than last year) for new vouchers for homeless veterans; $600 million ($200 million more than last
year) for Housing for the Elderly; and $196 million ($46 million more than last year) for Housing for
Persons with Disabilities.

**Community Planning and Development** – The bill contains almost $7 billion for Community
Planning and Development programs – a decrease of $438.4 million below last year’s level and $1.2 billion
below the President’s request. The Community Development Block Grant account is funded at $3.5 billion –
the same as last year’s funding level and $280.4 million below the President’s request.

According to the Committee documents, “the bill also includes several provisions to ensure that tax
dollars used for community development programs are well-spent and have the most benefit for the
American people. For example, the legislation requires oversight reports on eliminating waste, fraud and
abuse; reduces funding for the mismanaged HOME Investment Partnerships Program by 25%; and caps the
portion of Community Development Block Grant funds that may be used for administrative expenses at 10%
(down from 20%).”

For the subcommittee draft text of the legislation, please visit:
http://appropriations.house.gov/UploadedFiles/12THUD_xml.pdf. For a table comparing the draft
legislation with the President’s request and the fiscal year 2011 levels, please visit:

**Environment: Administration Drops Plans On Ozone Regulations**

President Barack Obama announced on September 2, 2011 that he has asked EPA Administrator Lisa
Jackson to withdraw the draft Ozone National Ambient Air Quality Standards. The President cited his
continuing efforts "to underscore the importance of reducing regulatory burdens and regulatory uncertainty,
particularly as our economy continues to recover."

Additionally, he noted that work is already underway to update a 2006 review of the science that will
result in the reconsideration of the ozone standard in 2013. "Ultimately, I did not support asking state and
local governments to begin implementing a new standard that will soon be reconsidered," the President said
in making the announcement.

EPA had been working on a plan announced in January of 2010 that would have established the
national standard for ozone at an average of between 60 and 70 parts per billion (ppb) over an eight-hour
period. The standard would have been considerably stricter than the Bush Administration's 2008 limit of 84 ppb to 75 ppb.

Organizations opposing the proposed standard argued that it would cost up to $90 billion annually for businesses to comply and that the current rule will be reconsidered in 2013 anyway. Environmentalists, however, reacted angrily to the President's announcement, arguing that it will only further jeopardize the public's health.


IMMIGRATION: HOUSE SUBCOMMITTEE EXAMINES AGRICULTURAL VISAS

The House Judiciary Subcommittee on Immigration Policy and Enforcement held a hearing on September 8, 2011 on H.R. 2847, the "American Specialty Agriculture Act." Witnesses were: Mr. Lee Wicker, Deputy Director, North Carolina Growers Association; Mr. Chalmers Carr, President and CEO, Titan Farms, South Carolina; Mr. Dan Fazio, Director, Washington Farm Labor Association; and Robert Williams, Director of Migrant Farmworker Justice Program, Florida Legal Services.

H.R. 2847 would revamp the current H-2A agricultural visa program. According to Rep. Lamar Smith (TX), the Committee Chair and the bill’s sponsor, the bill would establish an H-2C guestworker program to respond to the needs of American growers “while maintaining strong policies to protect citizens and legal workers. And it does so without the fraud-ridden mass amnesty for illegal immigrant farmworkers that failed in 1986.” Among its provisions, the bill would put the H-2C program under the Department of Agriculture, rather than the Department of Labor, which has jurisdiction over the current H-2A program. It would also repeal the Administration’s decision to end allowing attestations by the growers to serve as the basis for showing the need for foreign workers. Additionally, it requires growers to pay H-2C workers and American workers the “prevailing wage,” which is lower than the “adverse effect” wage rate required under the H-2A program.

Other provisions would allow growers to provide workers with housing vouchers, rather than physical housing, allow growers to include binding arbitration in contracts with H-2C workers to limit litigation, and requires workers to return to their home country after 10 months in the U.S. each year. Finally, H.R. 2847 would allow up to 500,000 foreign workers a year to receive H-2C visas.

In addition to the impact of the specific provisions in the bill, other issues discussed at the hearing, included problems with the H-2A program, such as its lack of accessibility, bureaucratic nature, high cost of participation and the readily-available supply of other labor sources, and possible ways to improve that program rather than replace it. In California, it is estimated that less than one percent of the farmworkers are provided by the H-2A program.

For the testimony of the witnesses, go to: http://judiciary.house.gov/hearings/hear_09082011_2.html.

ENERGY: HOUSE SCIENCE COMMITTEE HOLDS HEARING ON SMART GRID

On Thursday, September 8, 2011 the House Science, Space, and Technology Subcommittee on Technology and Innovation held a hearing on Empowering Consumers and Promoting Innovation through the Smart Grid.

Witnesses were: Dr. George Arnold, National Coordinator for Smart Grid Interoperability, National Institute of Standards and Technology; The Honorable Donna Nelson, Chairman, Public Utility Commission of Texas; Mr. John Caskey, Assistant Vice President Industry Operations, National Electrical Manufacturers Association; and Mr. Rik Drummond, Chief Executive Officer and Chief Scientist, The Drummond Group, Inc.
The hearing examined the status of efforts to develop open standards for smart grid technologies and drive innovation within smart grid development. It also provided the Subcommittee with an update on current standards development accomplishments, as well as the actions needed to empower and protect consumer interests while promoting innovation through the growth of the smart grid.

Issues addressed at the hearing included:
- ensuring that investments in the smart grid are cost-effective to keep electricity affordable, including how the interoperability standards being developed through the NIST framework process ensure present investments in new technologies generate future value through interoperability and upgradability;
- how to unlock the potential of innovation in the electricity sector, including how the development of open, interoperable standards can help create the markets for smart grid technologies essential to America’s ability to lead and create jobs, and the importance of working to cooperate with other nations on smart grid interoperability standards;
- empowering consumers by providing information about energy use and consumption to help them better understand how they are using electricity, allowing for better management of that use; and
- securing the grid and ensuring that the evolution of standards and guidelines keep pace with the evolving cyber threat in order to protect the grid from cyber attacks, improve recoverability, and ensure the Nation’s security and economic prosperity.

More information can be found at: http://science.house.gov.

**BRIEFING: CA COUNCIL ON SCIENCE & TECHNOLOGY TO HOST LUNCH ON SEPTEMBER 13**

The California Council on Science and Technology will host a lunch with the California Institute on Tuesday, September 13, 2011. CCST will address two science based reports at this congressional staff briefing: 1) *California's Energy Future: the View to 2050* and 2) *Innovate 2 Innovation*.

Presenters will be Jane Long (Energy report co-chair), Sr. Fellow of CCST, and Susan Hackwood, Executive Director of CCST. The lead authors of the report: Burton Richter, SLAC National Accelerator Lab and Jeffery Greenblatt, Lawrence Berkeley National Lab, will also attend. Rep. Sam Farr (Carmel) is also expected to make opening remarks.

*California’s Energy Future: the View to 2050* - looks a generation ahead at what's required to reach California's emission reduction goal of 80 percent below the 1990 level by 2050. The technology to do more with less energy and produce the electricity and fuel we need to get to the 60 percent mark is either in demonstration, or already in use. However, achieving a full 80 percent reduction in emissions will require significant levels of research, development, invention and innovation, the report states. The total commitment necessary to achieve this accelerated pace will require strong societal and policy backing to make a nearly total change-over to effective technology.

*Innovate 2 Innovation* was requested by bipartisan, bicameral members of the California Legislature, and is a comprehensive assessment of California's science and technology innovation ecosystem. This work provides a roadmap to help guide effective investment in California's innovation ecosystem to maintain and accelerate a leading global role in innovation and entrepreneurship with recommendations for focused attention to digital education for K-14 and the challenges of California's water supply.

CCST is a nonpartisan, impartial, not-for-profit 501(c)(3) corporation established via the California Legislature in 1988. It is designed to offer expert advice to the state government and to recommend solutions to science and technology-related policy issues.

Both reports can be found at: http://www.ccst.us.

If you would like to attend the luncheon briefing, please contact the California Institute at 202 785 5456 or sullivan@calinst.org.