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## SPECIAL REPORT:

# Senate Omnibus Appropriations (H.J.Res. 2) for FY2003 and California Implications -- *January 23, 2003*

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On January 8, 2003, the House passed by voice vote H.J.Res. 2 providing continuing appropriations for Fiscal Year 2003 through January 31, 2003. On January 15, the Senate began consideration of the resolution and attached Senate Amendment 1 in the nature of a substitute. The Senate amendment contains \$390 billion to fund the FY03 appropriations for the eleven appropriations bills that were unfinished at the end of the 107th Congress. As of January 23, the Senate continued to consider the Omnibus Appropriations package, and the House is expected to take it up the following week.

The following represents a quick analysis of the Senate's Omnibus bill from a California perspective as prepared by the California Institute. Our analysis is based on the legislative language in the Senate Amendment. Further details on specific funding implications for California may become available once the House and Senate have conferenced on the bill and issued a report. We apologize for any errors or omissions in our discussion of these documents, and would appreciate any input/feedback on how to make improving corrections. The ordering of items generally reflects their presence in the bill and does not mean to imply any relative importance.

This appropriations analysis is available on the California Institute web site at <http://www.calinst.org/pubs/omn03s.htm> and a printable version in Adobe Acrobat ("pdf") format is available at <http://www.calinst.org/pubs/omn03s.pdf>.

### DEPARTMENT OF EDUCATION

#### Education for the Disadvantaged (Title I)

In total funding for the Education for the Disadvantaged accounts, the bill provides a total of \$13.178 billion for FY 2003, which is \$831 million more than the \$12.347 billion appropriated for 2002. (Last year's level had constituted a \$2.3 billion increase above the \$10 billion provided in FY 2001.) However, the Senate proposes no increase in the traditional components of Title I, focusing 100 percent of the increase on two relative newcomers to the Title I formula funding mix: targeted grants and EFIG.

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The Senate bill provides \$7.173 billion - the same funding level as in FY 2002 - for Title I basic grants. (That level had represented a decrease of \$226 million from the FY 2001 level.) Likewise, the Senate bill retains the FY 2002 level for Title I concentration grants, providing \$1.365 billion.

For the two Title I formula elements that have only recently received funding, the Senate bill proposes large increases. The bill proposes \$1.4 billion for targeted grants and \$1.4 billion for education finance incentive grants (EFIG). The two programs were funded for the first time in FY 2002 pursuant to a conference amendment by Sens. Mary Landrieu (LA) and Thad Cochran (MS) in 2002. Congress provided \$1.018 billion for newly-funded targeted grants, and \$793 million in first-time funding for EFIG.

During reauthorization of the Elementary and Secondary Education Act in December 2001, Congress made formula changes for targeted grants and EFIG, which are likely, in the aggregate, to increase California's share of those grants. A past analysis of the four primary grant components of Title I (basic, concentration, targeted, and EFIG) showed that California generally would receive the highest portion of funds from targeted grants, and the lowest from EFIG.

However, in 2001, Congress changed a key formula factor for EFIG funding by counting only children in poverty, as opposed to all children -- a shift which will improve California's share of the program. (California houses a higher percentage of poor children than of children overall. While California was home to 12.5% of the nation's school-age children in 1999, the state housed 15.6% of the nation's poor children.) Nevertheless, EFIG grant funding is still calculated partially based on state average per-pupil expenditure and tax effort for education, both of which cut California's share, and state per capita income is also a factor in the grant formula, which serves to reduce the state's share.

In the short run, California probably would receive more money from increased funding for basic grants as opposed to targeted grants. California and other growing states have been hampered for years by a Senate-imposed "100% hold harmless," which guaranteed states their prior year's funding level and thus artificially propped up funding in states with less acute needs than those, like California, with very rapid child poverty growth. Only once there was new money above the prior year's levels would the new funds go to alleviate growth states' needs, and those first new dollars would go exclusively to the growth states (with more than 20% to California). Since there are no new basic or concentration grant funds in the conference report, that extra boost to California will not occur. Nevertheless, California's share of funds from the newly-funded EFIG and targeted grants is likely to be substantial.

It is encouraging that the FY 2003 bill appears to be free of the 100% special hold harmless language that has plagued past years' bills, but the statutory hold harmless provisions (at 85% to 95% of the prior year's level) will still reduce some of the shift of funds to California and other growth states. In addition, without growth in the basic or concentration grant funding, the past imposition of 100% hold harmless will continue to be felt into the future.

As had been the case in the FY 2002 bill, the Title I section of the conference report also includes \$3.5 million for the Census Bureau to conduct poverty data updates, which helps California by rendering current what would otherwise be very out-of-date poor child counts.

### **Impact Aid**

For the Impact Aid programs, which support schools in areas where the local tax base is reduced by significant federal properties such as military bases, the bill provides \$1.17 billion, a \$30 million increase above the \$1.14 billion level in FY 2002. Because of its dwindling bases presence, California's typical share of Impact Aid funds has declined from about 10% to about 7% over the past few years. Of the total funding, the Senate bill provides that \$1.012 billion is to be for basic support payments, \$52 million for payments for children with disabilities, \$47 million for construction, and \$57 million for federal property payments

### **School Improvement Programs**

The Senate bill provides level funding of \$7.78 billion for school improvement programs. No funds are provided for emergency school renovation and repair.

### **English Language Acquisition (formerly Bilingual and Immigrant Education)**

The Senate bill provides \$690 million for the English Language Acquisition program, formerly known as Bilingual and Immigrant Education. Because the funding level remains above a pre-determined threshold, the program will continue use of a new formula for distributing the funds, which is likely to benefit California. Allocations for the renamed English Language Acquisition and Language Enhancement grants are now based 80% on states' relative share of children considered limited English proficient (LEP) and 20% based on states' share of immigrant children, and California's share of both factors is high. The small-state minimum for the program is small (\$500,000), and 7.5% of the total funds are for national activities and grants to Indian tribes. Some funds are also reserved to continue existing grants for a few years. States must pass 95% of the funds they receive to eligible school districts and other eligible entities. The \$690 million level is above the \$665 million level in the FY 2002 Labor-HHS-Education funding conference report, and is well above the FY 2001 appropriation of \$460 million.

### **Special Education**

The Senate bill provides \$9.69 billion for Special Education, a \$1 billion increase above the FY 2002 level of \$8.67 billion, which itself had been more than \$1.2 billion higher than the FY 2001 level of \$7.44 billion. For IDEA Part B grants to states, which account for about three-fourths of special education spending, California typically receives roughly 10%.

### **Rehabilitation Services and Disability Research**

The Senate omnibus bill provides \$2.96 billion for rehabilitation services and disability research, an increase above the \$2.946 billion total in FY 2002, which itself had been higher than the \$2.8 billion level provided the prior year. California typically receives roughly 10% of funds for vocational rehabilitation state grants, which constitutes the bulk of these funds. The Senate bill, however, inserts a *hold harmless* provision, stating that "no State or outlying area awarded funds under section 101 shall receive less than the amount received in fiscal year 2002," and also providing that "each State shall be provided \$100,000 and each outlying area \$30,000 for activities under section 102".

### **Vocational and Adult Education**

While the exact figure is unclear due to forward funding usage, the Senate bill provides \$1.94 billion for Vocational and Adult Education, with another \$791 million in reserved forward funding for the same. The bill's total does not break out divisions within the category, but in 2002 Congress appropriated \$1.18 billion for Vocational Education basic state grants (California's share of voc ed basic grants is typically about 11%) and \$575 million for Adult Education (of which California receives about 10.8%).

The bill further specifies that, of the amount for adult education, \$70 million is to be used for "integrated English literacy and civics education services to immigrants and other limited English proficient populations." In addition, of that \$70 million, "65 percent shall be allocated to States based on a State's absolute need as determined by calculating each State's share of a 10-year average of the Immigration and Naturalization Service data for immigrants admitted for legal permanent residence for the 10 most recent years, and 35 percent allocated to States that experienced growth as measured by the average of the 3 most recent years for which Immigration and Naturalization Service data for immigrants admitted for legal permanent residence are available, except that no State shall be allocated an amount less than \$60,000."

California is typically the destination of more than 25 percent of new immigrants, so the provision would surely increase California's share of adult education funds. The state would likely receive \$12 to \$15 million from the first 65 percent formula component (as opposed to the \$4.9 million under the traditional adult education formula). The function of the second formula component is less clear.

### **Student Financial Assistance**

For overall financial aid in FY 2003, the Senate bill provides \$13.152 billion, an \$867 million increase above the \$12.285 billion for 2002, which itself had been far above the FY 2001 appropriation of \$10.674 billion. The bill moves the maximum Pell Grant level from \$4,000 to \$4,100.

### **Higher Education**

The bill approximately level funds overall higher education programs at \$2.048 billion. No further detail is given within the programs.

### **Other Provisions**

The Senate bill also prohibits funds from being used to transport students or teachers to overcome racial imbalance, or to transport students to schools other than that nearest their home (except for special education situations or magnet schools). Funds are also prohibited for usage to prevent the implementation of programs of voluntary prayer and meditation in the public schools.

## **DEPARTMENT OF JUSTICE**

**Immigration and Naturalization Service** - For Salaries and Expenses, \$3,076,509,000; and for Construction, \$267,138,000. FY02 funding for Salaries and Expenses was \$3.371 billion.

During Senate floor consideration, an amendment was adopted to provide an additional \$165 million to the INS for its computer system.

**Office of Justice Assistance** - For grants, contracts, cooperative agreements, and other assistance under the 1968 Crime Act and the Missing Children's Assistance Act, \$194,057,000.

In addition, for grants, cooperative agreements, and other assistance authorized by the Antiterrorism and Effective Death Penalty Act of 1996 and for other counterterrorism programs, \$2,038,000,000.

**State and Local Law Enforcement Assistance** - \$1,368,415,000 is appropriated, which includes the following funding:

- \$400,000,000 is for Local Law Enforcement Block Grants, the same amount as FY02;
- \$90,000,000 is for Boys and Girls Clubs in public housing facilities and other areas in cooperation with State and local law enforcement; and
- \$134,700,000 is for discretionary grants under the Edward Byrne Memorial State and Local Law Enforcement Assistance Programs.

FY02 funding for all State and Local Law Enforcement Assistance Programs was \$2,403,354,000.

**State Criminal Alien Assistance Program (SCAAP)** - No funding is provided for FY03. The FY02 Appropriations amount was \$565 million.

**Community Oriented Policing Services** - \$1,120,228,000 is appropriated. The bill also states that prior year balances available in the program must be used for the direct hiring of law enforcement officers through the Universal Hiring Program. Included in the fund are the following:

- for Public Safety and Community Policing Grants, \$492,000,000;
- for crime technology, \$426,215,000;
- for prosecution assistance, \$100,000,000, of which \$50,000,000 is for the Southwest Border Prosecutor Initiative to reimburse State, county, parish, tribal, or municipal governments only for Federal costs associated with the prosecution of criminal cases declined by local U.S. Attorneys offices.
- for grants, training, technical assistance, and other expenses to support community crime prevention efforts, \$67,013,000;

**Juvenile Justice Programs** - \$315,425,000 is appropriated.

**Weed and Seed Program** - \$58,925,000 is appropriated for intergovernmental agreements, including grants, cooperative agreements, and contracts, with State and local law enforcement agencies, non-profit organizations, and agencies of local government engaged in the investigation and prosecution of violent crimes and drug offenses in "Weed and Seed" designated communities.

**Anti-Terrorism Funding** - Within accounts funding U.S. Attorneys Office, bill language specifies that \$20 million be for the Anti-terrorism Task Forces to coordinate Port Security pilot projects in Norfolk (VA), Charleston (SC), New Orleans (LA), and Long Beach (CA).

## **DEPARTMENT OF COMMERCE**

**International Trade Administration** - \$68,083,000 is appropriated for Trade Development; \$28,197,000 for Market Access and Compliance; and \$44,006,000 for Import Administration.

**Economic Development Assistance Programs** - For grants for economic development assistance and for trade adjustment assistance, \$257,886,000 is appropriated.

**Pacific Coastal Salmon Recovery** - For the restoration of Pacific salmon populations and the implementation of the 1999 Pacific Salmon Treaty Agreement between the United States and Canada, \$78,650,000 is appropriated, to remain available until September 30, 2004. In addition, for implementation of the 1999 Pacific Salmon Treaty Agreement, \$20,000,000 is appropriated, of which \$10,000,000 is to be deposited in the Northern Boundary and Transboundary Rivers Restoration and Enhancement Fund, and \$10,000,000 is to be deposited in the Southern Boundary Restoration and Enhancement Fund.

## **ENERGY AND WATER DEVELOPMENT APPROPRIATIONS**

### **DEPARTMENT OF THE ARMY**

#### **Corps of Engineers**

The project for flood control for the American and Sacramento Rivers, California is modified to authorize the Corps of Engineers to construct the project at a total cost of \$205,000,000, with an estimated Federal share of \$153,840,000 and an estimated non-Federal share of \$51,160,000.

The project for flood control for Terminus Dam, Kaweah River, California, is modified to authorize the Corps of Engineers to construct the project at a total cost of \$50,000,000, with an estimated Federal share of \$28,600,000 and an estimated non-Federal share of \$21,400,000.

### **DEPARTMENT OF THE INTERIOR**

#### **Bureau of Reclamation**

**Central Valley Project Restoration Fund** - For the Central Valley Project Improvement Act, \$48,904,000, to be derived from such sums as may be collected in the Central Valley Project Restoration Fund, *Provided*, That the Bureau of Reclamation is directed to assess and collect the full amount of the additional mitigation and restoration payments authorized by section 3407(d) of Public Law 102-575.

**California Bay-Delta Restoration** - No new funding is appropriated.

**General Provisions** - The bill states that none of the funds appropriated may be used to determine the final point of discharge for the interceptor drain for the San Luis Unit until development by the Secretary of the Interior and the State of California of a plan, "which shall conform to the water quality standards of the State of California as approved by the Administrator of the Environmental Protection Agency, to minimize any detrimental effect of the San Luis drainage waters. "

The bill also states that the costs of the Kesterson Reservoir Cleanup Program and the costs of the San Joaquin Valley Drainage Program must be classified by the Secretary of the Interior as "reimbursable or nonreimbursable and collected until fully repaid pursuant to the 'Cleanup Program--Alternative Repayment Plan' and the 'SJVDP--Alternative Repayment Plan' described in the report entitled 'Repayment Report, Kesterson Reservoir Cleanup Program and San Joaquin Valley Drainage Program, February 1995', prepared by the

Department of the Interior, Bureau of Reclamation. Any future obligations of funds by the United States relating to, or providing for, drainage service or drainage studies for the San Luis Unit shall be fully reimbursable by San Luis Unit beneficiaries of such service or studies pursuant to Federal reclamation law.”

Bill language specifies that “Funds appropriated to the Forest Service shall be available, as determined by the Secretary, for payments to Del Norte County, California, pursuant to sections 13(e) and 14 of the Smith River National Recreation Area Act”.

**Bureau of Land Management** - \$816,062,000 is appropriated for FY03.

**Wildland Fire Management** - \$654,254,000 is appropriated.

**Payment in Lieu of Taxes** - \$210,000,000, of which not to exceed \$400,000 shall be available for administrative expenses

**Oregon and California Grant Lands** - \$105,633,000 is appropriated, provided that 25 percent of the aggregate of all receipts during the current fiscal year from the revested Oregon and California Railroad grant lands is made a charge against the Oregon and California land-grant fund and must be transferred to the General Fund in the Treasury.

#### **United States Fish and Wildlife Service**

**Resource Management** - \$902,697,000 is appropriated, of which not less than \$2,000,000 shall be provided to local governments in southern California for planning associated with the Natural Communities Conservation Planning (NCCP) program and shall remain available until expended.

#### **Interior Department General Provisions**

Section 107 of the Interior Department appropriations provides that “No funds provided in this title may be expended by the Department of the Interior for the conduct of offshore preleasing, leasing and related activities placed under restriction in the President’s moratorium statement of June 12, 1998, in the areas of northern, central, and southern California; the North Atlantic; Washington and Oregon; and the eastern Gulf of Mexico south of 26 degrees north latitude and east of 86 degrees west longitude.”

Section 118 states that “Notwithstanding other provisions of law, the National Park Service may authorize, through cooperative agreement, the Golden Gate National Parks Association to provide fee-based education, interpretive and visitor service functions within the Crissy Field and Fort Point areas of the Presidio.”

Section 126 of the bill states that “None of the funds made available in this Act or any other Act providing appropriations for the Department of the Interior may be expended or obligated to issue a Record of Decision or take any action to issue a right-of-way grant for a pipeline or associated facilities related to the Cadiz groundwater storage and dry-year supply program.”

Section 310 provides that “the Secretaries of Agriculture and the Interior are authorized to limit competition for watershed restoration project contracts as part of the ‘Jobs in the Woods’ Program established in Region 10 of the Forest Service to individuals and entities in historically timber-dependent areas in the States of Washington, Oregon, northern California, Idaho, Montana, and Alaska that have been affected by reduced timber harvesting on Federal lands. The Secretaries shall consider the benefits to the local economy in evaluating bids and designing procurements which create economic opportunities for local contractors.”

**Presidio Trust Fund** - \$21,327,000 is appropriated to the Presidio Trust for necessary expenses.

#### **INTERIOR RELATED AGENCIES**

**Department of Agriculture Wildland Fire Management** - \$1,349,291,000 is appropriated for forest fire presuppression activities on National Forest System lands, for emergency fire suppression on or adjacent to such lands or other lands under fire protection agreement, hazardous fuel reduction on or adjacent to such lands, and for emergency rehabilitation of burned-over National Forest System lands and water.

**Acquisition of Lands for National Forests Special Acts** - \$1,069,000 is provided, to be derived from forest receipts, for land acquisition in national forests, including the Angeles, San Bernardino, Sequoia, and Cleveland National Forests in California.

## **DEPARTMENT OF ENERGY**

**Elk Hills School Lands Fund** - For fulfilling installment payments under the Settlement Agreement entered into by the United States and the State of California, \$36,000,000 is appropriated to become available on October 1, 2003, for payment to the State of California for the State Teachers' Retirement Fund from the Elk Hills School Lands Fund.

**DOE Science Activities** - For the DOE Office of Science, which funds a number of programs important to California, the Senate bill would provide a small increase, to \$3.329 billion for FY 2003 from the \$3.233 billion level of FY 2002. The Office of Science houses the Magnetic Fusion program, from which California receives a very large share, as well as the High Energy Physics, Basic Energy Sciences, Advanced, Scientific Computing Research, and Biological and Environmental Research programs.

**DOE Defense Activities** - For the activities of the National Nuclear Security Administration, with authority over the nation's nuclear weapons operations, the bill provides a total of \$6.1 billion. Eligible fund uses include the purchase, construction and acquisition of plant and capital equipment and other incidental expenses necessary for atomic energy defense weapons activities. In addition, \$1.1 billion is included for nuclear nonproliferation activities.

The bill provides \$1.1 billion for Defense Facilities Closure Projects, as well as \$5.4 billion for atomic energy defense environmental restoration and waste management activities.

## **DEPARTMENT OF TRANSPORTATION**

On July 25, 2002, the Senate Appropriations Committee passed the Transportation Appropriations for Fiscal Year 2003, S.2808. Much of what was included in the Committee Report S.Rept. 107-224 is obsolete due to the introduction of the Senate Omnibus bill, H.J. Res 2, a legislative effort to combine all unfinished domestic spending bills into one measure for passage.

### **Transportation Security Administration (TSA)**

This new agency was created in the aftermath of September 11, 2001 upon the enactment of the Aviation and Transportation Security Act in November of 2001. The TSA is designed to improve security for all transport systems across the U.S. including aviation, railways, highways, pipelines and waterways. The FY2003 Senate Omnibus bill appropriates \$5,346,000,000, \$396 million more than the 2002 Senate Appropriations bill provided for the TSA. \$55 million of the funds are set aside for new explosive detection technology installations at airports.

### **Federal Aviation Administration (FAA)**

The Omnibus bill provides \$7,047,203,000, for FAA operations activities. The 2002 Senate Transportation appropriations bill appropriated \$13,586,225,000 for the Federal Aviation Administration.

### **US Coast Guard**

Omnibus language provides \$4,318,456,000, for Coast Guard operations of which \$340,000,000 will be available for defense-related activities and \$752 million for necessary expenses of acquisition, construction, renovation, and improvement of aids to navigation, shore facilities, vessels, aircraft and related equipment. The total is \$1.753 billion below the Senate Appropriations Committee levels for 2003 Coast Guard activities.

## **Federal Highway Administration**

### *Federal-Aid Highways*

The Omnibus bill includes language consistent with Senate Appropriations Committee levels limiting fiscal year 2002 Federal-aid highways obligations to \$31,800,000,000, \$896 million over the previous year's allocation and \$8,595,213,000 over the President's budget request based on the estimated FY 2003 distribution of obligation authority through the Revenue Aligned Budget Authority (RABA) funding formula mechanism.

### *Bridge Replacement and Rehabilitation Discretionary Program*

No Omnibus language is included.

Of the funds provided for the bridge discretionary program in the Senate Appropriations Committee report, the Golden Gate Bridge Seismic Retrofit program would receive \$6,000,000.

### *High priority projects*

No Omnibus language included.

The surface transportation law, TEA-21, specifies 1,850 high priority projects for funding. Funding for these projects totals \$9,359,850,000 over the 6 year period.

### *National corridor planning and border infrastructure programs*

No Omnibus language included.

The Senate Appropriations Committee bill included the following national corridor and border infrastructure funding directives:

- Alameda Corridor East Construction Project - \$1,000,000
- New Route 905 Otay Mesa to I-5/I-85m - \$5,000,000
- Colfax Narrows Project- \$1,000,000

### *Ferry boats and ferry terminal facilities -*

No Omnibus language included.

TEA-21 reauthorized funding for the construction of ferry boats and ferry terminal facilities. Funds provided for the ferry boats and ferry terminal facilities program under the 2002 Senate Appropriations Committee recommendation would have funded several projects including:

- San Francisco Bay Area Water Transit Authority Ferry Project, CA- \$2,500,000
- Vallejo Baylink Ferry, Terminal and Facilities, CA - \$1,500,000

### *Transportation and community and system preservation pilot program*

No Omnibus Language included.

This program provides grants to States and local governments for planning, developing, and implementing strategies to integrate transportation and community and system preservation plans and projects. The 2002 Senate Appropriations bill made fiscal year 2003 funds available for the following activities:

- Orange County Congestion Program, CA - \$1,000,000
- Virginia Corridor Greenway Pilot Project, Modesto, CA- \$500,000

### *Specified Intelligent Transportation Systems deployment projects*

The following projects contribute to the integration and interoperability for Intelligent Transportation Systems in metropolitan and rural areas and promote deployment of the commercial vehicle intelligent

transportation system infrastructure. The Omnibus bill provides funding for California deployment activities as follows:

- Sacramento Area Council of Governments, ITS, CA \$1,000,000
- Sierra Madre Intermodal Trans. Center, Los Angeles, CA, \$2,500,000

The following ITS items included in last year's Senate Appropriations bill are excluded from current Omnibus language:

- Willowbrook Avenue Rail Safety Program, Compton, CA \$2,000,000
- Chinatown Intermodal Trans. Center, Los Angeles, CA \$2,500,000

### **Federal Railroad Administration**

Omnibus language provides \$118 million for FRA's safety and operations expenses. \$29,325,000 is provided for railroad research and development programs.

#### *Next Generation High-Speed Rail*

Under this section, the Omnibus provides \$30 million for Next Generation High Speed Rail Projects, however unlike the 2002 Senate Appropriations bill \$2,000,000 is not specified in Omnibus language for California high-speed rail expenditures.

2002 Senate Appropriations Report language specified \$200,000 under this section to be spent on Las Vegas, Nevada- Los Angeles, California highspeed rail capacity and ridership analysis also excluded from the Omnibus. So too are Magnetic Levitation transportation funding provisions benefitting the following California-specific committee allocations:

- Nevada-California: Environmental impact studies, design and engineering- \$2,000,000
- Southern California Maglev environmental study and planning- \$1,000,000

#### *National Railroad Passenger Corporation (AMTRAK)*

For several years Amtrak has teetered on the verge of bankruptcy from its increasing debt burden. The Supplemental Appropriations Act of FY2002 included supplemental funds amounting to \$105,000,000 to keep Amtrak routes running through September 2002.

The Omnibus bill sets an appropriation of \$826,476,000 for FY2003 national passenger rail system operations; \$373,524 million below the total specified in 2002 Senate Appropriations language. The Amtrak Board of Directors requested at least \$1,200,000,000 for Amtrak to remain operational in FY2003 .

### **Federal Transit Administration**

#### *Formula Program*

Omnibus language provides \$607,200,000 for Capital Investment Grants.

#### *Bus and Bus Facilities*

The Omnibus bill retains 2002 Senate Appropriations levels providing \$652,200,000 for the replacement, rehabilitation, and purchase of buses and related equipment and for the construction of bus-related facilities although it lists no specific project allocations. 2002 earmarks established by the Senate Appropriations Committee for California bus and bus facilities funding were distributed as follows:

- AC Transit Buses and Bus Facilities, CA \$1,000,000
- East Palo Alto Buses, CA \$400,000
- Fresno Buses, CA \$600,000
- Gardena Municipal Bus Lines, CA \$350,000
- Santa Clara Valley Transportation Authority Buses, CA \$2,000,000
- Livermore Valley Center Project, CA \$300,000
- Los Angeles MTA Buses and Bus Facility, CA \$5,000,000
- Los Angeles to Pasadena Construction Authority  
Intermodal Centers, CA \$3,000,000

- Modesto Bus Maintenance Facility, CA	\$500,000
- Monterey-Salinas Transit (MST) Bus and Bus facilities, CA	\$500,000
- Municipal Transit Operators Coalition, Long Beach, CA	\$1,750,000
- Palo Alto Bus Facility, CA	\$400,000
- Sacramento Regional Transit District Bus Facilities, CA	\$1,250,000
- San Francisco Municipal bus and bus facilities, CA	\$5,000,000
- Santa Barbara, Bus and Bus Facilities, CA	\$750,000
- Sierra Madre Villa CNG Fueling Station, CA	\$200,000

*Fixed Guideway Modernization*

The Omnibus remains consistent with the 2002 Senate Appropriations recommendation of \$1,214,400,000 for the modernization of existing rail transit systems. Under TEA21 all of the funds are distributed by formula. California would receive \$139,151,6518 for these projects in FY2003.

*Transit New Starts*

The Omnibus bill provides \$1,214,400,000, together with \$25,000,000 transferred from the Job Access and Reverse Commute Grants Program account for new fixed-guideway modernization projects or New Starts, \$100 million less than 2002 Senate Appropriations' level for New Starts (\$1,314,400,000). These funds are available for major investment studies, preliminary engineering, right-of-way acquisition, project management, oversight, and construction for new systems and extensions.

The Omnibus bill lists the following California earmarks:

- Altamont Commuter Express San Jose to Stockton, CA,	\$1,000,000
- San Francisco, SFO BART extension project, CA	\$100,000,000
- Los Angeles, North Hollywood Extension, CA,	\$40,490,000
- Oceanside-Escondido Light Rail Project, CA,	\$12,200,000
- San Diego Mission Valley East Line Project, CA,	\$65,000,000
Total	\$218,690,000

In contrast, the 2002 Senate Appropriations report listing California's New Starts earmarks for FY 2003 read as follows:

- Altamont Commuter Express San Jose to Stockton, CA	\$2,000,000
- San Diego, Mission Valley East Line project	\$65,000,000
- Los Angeles, East Side MTA, CA	\$10,000,000
- San Francisco, SFO BART extension project, CA	\$100,000,000
- Los Angeles, North Hollywood extension project, CA	\$40,000,000
- Oceanside-Escondido Light Rail Project, CA	<u>\$20,000,000</u>
Total	\$237,000,000

**Job Access and Reverse Commute Grants**

This program is meant to help welfare reform efforts succeed by providing enhanced transportation services for low-income individuals, including former welfare recipients, traveling to jobs or training centers. It supplies competitive grants to qualifying metropolitan planning organizations, local governmental authorities, agencies, and nonprofit organizations.

The Senate Appropriations bill passed in 2002 recommended the following allocations of job access and reverse commute grant program funds:

- CalWORKS Recipient Job Center, CA	\$750,000
- Los Angeles County, UTRANS, CA	\$1,000,000
- Low Income LIFT Program, SF MTC, CA	\$2,000,000
- Rideshare Program-MTA, CA	\$750,000
- Santa Clara Valley, Guaranteed Ride Home Program, CA	\$350,000

### **General Provisions**

Sec. 329. The Omnibus bill includes a provision modifying transportation law to define the Alameda Corridor East and Southwest Passage, California a high priority corridor.

### **DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

#### **Public Housing: Housing Certificate Fund**

For the public housing account's Housing Certificate Fund, which funds Section 8 renewals and tenant protections, the bill provides \$16.9 billion, an increase of \$0.3 billion from the FY02 level of \$15.6 billion.

#### **Public Housing: Public Housing Capital Fund Program**

The bill provides \$2,683,400,000 for the Public Housing Capital Fund Program to carry out capital and management activities for public housing agencies.

#### **Public Housing: Public Housing Operating Fund**

The bill appropriates \$3.5 billion for the Public Housing Operating Fund, in particular for payments to public housing agencies for the operation and management of public housing.

#### **Community Planning & Development: Revitalization of Severely Distressed Public Housing (Hope IV)**

The bill provides \$574 million for Revitalization of Severely Distressed Public Housing (Hope IV), which funds grants to public housing agencies for demolition, site revitalization, replacement housing, and tenant-based assistance grants.

#### **Block Grants: Native American Housing Block Grants**

For the Native American Housing Block Grants, the bill appropriates \$648,570,000. The total includes \$2.2 million in funding for the National American Indian Housing Council in support of the implementation of NAHASDA, and \$5 million to support the inspection of Indian housing units, contract expertise, training, and technical assistance in the training, oversight, and management of Indian housing and tenant-based assistance. The total also provides for the transfer of \$600,000 to the Working Capital Fund for development of and modifications to information technology systems which serve programs or activities under "Public and Indian housing".

#### **Indian Housing Loan Guarantee Fund Program Account**

The bill provides \$5 million in funding for the Indian Housing Loan Guarantee Fund Program Account.

#### **Community Planning and Development: Housing Opportunities for Persons with AIDS**

The bill appropriates \$292 million for Housing Opportunities for Persons with AIDS (HOPWA), an increase of \$14,568,000 from the FY02 appropriation of \$277,432,000.

#### **Rural Housing and Economic Development**

For the Office of Rural Housing and Economic Development in the Department of Housing and Urban Development the bill appropriates \$25 million.

#### **Empowerment Zones/Enterprise Communities**

The FY 2003 omnibus bill appropriates \$30 million for grants in connection with a second round of empowerment zones and enterprise communities, which constitutes \$15,000,000 less than the amount appropriated in the FY02 conference report.

#### **Community Development Fund**

The bill provides \$5 billion for economic and community development activities, which is equivalent to the FY02 funding level. The total includes \$4,580,200,000 to fund the community development block grant program under title I of the Housing and Community Development Act of 1974.

The total appropriation includes \$72.5 million in funding for grants to Indian tribes and 7.5 million for Hispanic serving institutions. The bill includes \$45.5 million in funds for section 107 grants, an increase of \$3 million from \$42.5 million in funding provided for section 107 grants in FY 2002. The bill designates at least \$3.4 million of the total to be transferred to the Working Capital Fund for the development of and modification to information technology systems which serve programs or activities under "Community Planning and Development".

#### **Community Development Loan Guarantees Program Account**

The bill appropriates \$14 million to cover the cost of guaranteed loans.

#### **Brownfields Redevelopment**

For the Economic Development Grants for Brownfields redevelopment projects, the bill provides a total of \$25 million, which remained unchanged from the FY 2002 appropriation level.

#### **Home Investment Partnerships Program**

The bill appropriates \$1,950,000,000 for the HOME Investment Partnership Program, an increase of \$103,960,000 from the previous FY02 funding of \$1,846,040,000.

#### **Homeless Assistance Grants**

For the emergency shelter grants program, the supportive housing program, the section 8 moderate rehabilitation single room occupancy program, and the shelter plus care program, the bill provides \$1,215,025,000 in funding, and specifically appropriates \$193 million of the total for the renewal of expiring shelter plus care grants. This appropriation is an increase of \$92.5 million from FY02 funding of \$1,122,525,000.

#### **Housing Programs: Housing for Special Populations**

The bill provides \$1,033,801,000 for assistance for the purchase, construction, acquisition, or development of additional public and subsidized housing units for low income families not provided for otherwise.

#### **Rental Housing Assistance**

The bill reduces, by no more than \$100 million in uncommitted balances of authorizations of contract authority, the limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 of the National Housing Act.

### **NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

For NASA, the Senate bill would provide total funding of \$15.1 billion, a \$300 million boost over the FY 2002 level. Within NASA, the account for Human Space Flight would receive provide \$6.1 billion. The total is down from a \$6.9 billion level for Human Space Flight in FY 2002. It should be noted that NASA will continue to restructure internally, and funds will be shifted between the primary internal program functions. The Senate bill provides that the account for Science, Aeronautics and Technology would receive a total of \$9 billion in FY 2003.

### **NATIONAL SCIENCE FOUNDATION**

Total funding for NSF would rise to \$5.26 billion under the Senate's bill, up from \$4.8 billion in 2002. Research and Related Activities funding at NSF would be set at \$4.1 billion, approximately a \$500 million increase over the FY 2002 level. (Bill language specifies that \$85 million of these funds shall be made available for a comprehensive research initiative on plant genomes for "economically significant crops.") The bill provides \$59.3 million for the acquisition, construction, commissioning, and upgrading of major research equipment,

facilities, and other such capital assets - an amount less than half the \$139 million provided in FY 2002. For Education and Human Resources, the bill provides \$933 million, a substantial increase from the \$875 million provided in 2002.

## **DEPARTMENT OF AGRICULTURE**

On July 25, 2002, the Senate Agriculture Appropriations Subcommittee reported the Department of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations for Fiscal Year 2003, S. 2801 (Committee Report 107-223). It subsequently unanimously passed the Senate Appropriations Committee by a 29-0 vote.

A modified version of the Senate Agriculture Appropriations were then added to the Senate's Omnibus bill, H.J. Res 2, which combines all eleven FY2003 unfinished spending bills into one measure.

### **Animal And Plant Health Inspection Services**

#### **Invasive Species**

Invasive weeds and some pest species severely afflict US agricultural production, costing hundreds of billions in damages every year. The Omnibus bill provides \$735,673,000, of which \$4,103,000 is to be available for the control of outbreaks of insects, plant diseases, and animal diseases. The bill also authorizes the Department of Agriculture to collect fees to cover the total costs of providing technical assistance, goods, or services requested by States in fiscal year 2003.

### **Cooperative State Research, Education, And Extension Service**

#### **Research And Education Activities**

Omnibus language provides \$651,411,000 for research and education activities under this section. These programs benefit communities by promoting partnerships between academia and stakeholders to advance research, extension and higher education in food, agricultural, environmental, and human sciences. Although nothing is specified in the Omnibus, Senate Appropriations Report language from last year included funds for the following California based CSREES programs:

Exotic pest diseases	\$1,800,000
Ozone Air Quality	\$400,000
Pierce's disease	\$2,500,000
Sudden Oak Death	\$150,000
Sustainable agriculture	\$400,000
Viticulture consortium (NY, CA, PA)	\$1,600,000

### **Rural Development**

#### **Rural Community Advancement Program**

The Omnibus bill funds the Rural Community and Advancement Program at \$867,176,000 to provide direct loans, loan guarantees, and grants improving facilities and services for rural residents. \$20 million is to be made available to assist the Colonias along the US-Mexico border.

#### **Distance Learning And Telemedicine Program**

The Omnibus bill includes \$51,941,000 for the Distance Learning and Telemedicine Program, \$20 million more than the President's budget request. This program provides incentives in the form of loans and grants to advance the quality of telecommunications technology in rural America. Although the language in the Omnibus bill does not address the issue, the Senate Appropriations report gave consideration to Fresno Community Medical Centers for loan and grant applications.

#### **Domestic Food and Nutrition Programs**

The Omnibus bill recommends \$10,580,169,000 for the National School Lunch and Child Nutrition program, \$4 million more than the President's budget request. \$4,751,000,000 is to remain available in special

supplemental funds for the Women, Infants, and Children program activities (WIC), \$403 million over FY 2002's allocation.

### **Food Stamps**

Remaining consistent with Senate Appropriations Committee recommendations, the Omnibus bill appropriates \$26,289,692,000 in mandatory funds for the federal Food Stamp Program, an increase of \$3.297 billion above FY 2002 levels and \$40 million above the Administration's FY 2002 request.

### **Commodity Futures Trading Commission**

The Omnibus provides \$93,985,000 for the CFTC, \$450,000 less than the Senate Appropriations Committee's recommended level of \$94,435,000. This independent agency was set up to protect and promote the futures and commodity options markets' interests by improving financial planning, efficiency, distribution, consumption and cost-effective marketing. CFTC activities are carried out in Los Angeles and four other locations nationally.

### **General Provisions**

Section 705 makes new obligational authority available until expended for the following appropriations items: the Animal and Plant Health Inspection Service, the contingency fund to meet emergency conditions, the fruit fly program, emerging plant pests, integrated systems acquisition project, boll weevil program, up to 25 percent of the screwworm program, and up to \$2,000,000 for costs associated with collocating regional offices.

## **DEPARTMENT OF LABOR**

### **Training and Employment Services**

For Training and Employment Services, the omnibus bill provides a total of \$2,657,084,000, a decrease of \$2,972,916,000 in comparison to \$5.63 billion in funding provided in the FY02 conference report. The bill includes \$4,786,000 for migrant and seasonal housing. The bill also provides \$2,463,000,000 in separate funding for the Workforce Investment Act.

## **DEPARTMENT OF HEALTH AND HUMAN SERVICES**

### **Centers for Disease Control and Prevention**

The Senate omnibus bill provides \$4.3 billion for the Centers for Disease Control and Prevention.

### **National Institutes of Health**

The Senate breaks out spending levels for the components of the National Institutes of Health as follows: National Cancer Institute \$4.6 billion; National Heart, Lung, And Blood Institute \$2.8 billion; National Institute of Dental and Craniofacial Research \$374 million; National Institute of Diabetes and Digestive and Kidney Diseases \$1.6 billion; National Institute of Neurological Disorders and Stroke \$1.46 billion; National Institute of Allergy and Infectious Diseases \$3.7 billion; National Institute of General Medical Sciences \$1.85 billion; National Institute of Child Health and Human Development \$1.2 billion; National Eye Institute \$634 million; National Institute of Environmental Health Sciences \$617 million; National Institute on Aging \$1 billion; National Institute of Arthritis and Musculoskeletal And Skin Diseases \$489 million; National Institute on Deafness and Other Communication Disorders \$373 million; National Institute of Nursing Research \$131 million; National Institute on Alcohol Abuse and Alcoholism \$418,773,000; National Institute on Drug Abuse \$968 million; National Institute of Mental Health \$1.35 billion; National Human Genome Research Institute \$468 million; National Institute of Biomedical Imaging and Bioengineering \$283 million; National Center For Research Resources \$1.16 billion; National Center For Complementary and Alternative Medicine \$114 million; National Center on Minority Health And Health Disparities \$187 million; John E. Fogarty International Center \$61 million; and the National Library of Medicine \$302 million. In addition, the bill provides \$607 million for NIH construction activities.

### **Substance Abuse and Mental Health Services**

The Senate bill includes a slight reduction to \$3.12 billion from \$3.14 billion last year for substance abuse and mental health services. This account is the source of formula funding for the Substance and Mental Health Block Grant, of which California receives nearly 15 percent (\$235 million in FY 2001).

### **Centers for Medicare and Medicaid Services**

Funding for Medicare and Medicaid is ongoing, and not subject to annual appropriations. The Senate bill predicts expenditures of \$112 billion in FY 2003.

### **Administration for Children and Families**

The bill provides \$2.475 billion for child support enforcement and family support programs. For Low-Income Home Energy Assistance, the bill provides \$1.7 billion. In addition, during Senate consideration an amendment was adopted adding another \$300 million to the program.

The Senate would provide \$432 million for refugee and entrant assistance, a large share of which is typically expended in California. The level constitutes a reduction from the \$460.2 million level of 2002.

The bill would provide a total of \$2.1 billion for the Child Care and Development Block Grant, the same level as last year, of which California typically receives slightly more than 12%.

For the Social Services Block Grant, of which California also receives slightly more than 12%, the Senate bill provides \$1.7 billion.

For Head Start, the Senate provides \$6.667 billion for Head Start, an increase of \$129 million from the \$6.538 billion level of 2002. California receives roughly 12.4% of Head Start funds.

For the Community Services Block Grant, of which California typically receives about 9%, the bill provides \$740 million.

The bill anticipates expenditures of \$4.855 billion in the current year and \$1.746 billion in the first quarter of 2004, providing level funding for foster care and adoption assistance. Historically, California has received nearly one fourth of foster care funds and somewhat more than 12% of adoption assistance funds.

## **OTHER PROVISIONS**

**Treasury-Postal** - With the bill component derived from the Treasury-Postal Service Appropriations, language provides \$23.9 million for a United States Courthouse Annex in San Diego. It also provides \$93.2 million for alterations and repairs to the Federal Building in Los Angeles, as well as \$20.3 million for alterations and repairs to the Appraisers Building in San Francisco and \$5.7 million for alterations to the U.S. Border Station in Tecate.