



SPECIAL REPORT: Fiscal Year 2004 Omnibus Appropriations and California Implications - December 2003

On November 25, 2003, House and Senate Conferees combined seven unfinished appropriations bill into the 2004 Omnibus Consolidated Appropriations Act, HR 2673 (H-Rept. 108-401). The bDecember 8, 2003 details a total of \$820 billion in FY04 funding, although only \$328 billion is subject to the discretion of Congress (the nearly \$500 billion remainder represents mandatory spending).

The measure also requires a 0.59 percent across-the-board cut (not accounted for in the funding amounts included in the Omnibus or recounted here) for all 2004 funds. Not only is the 0.59 percent reduction applied to every line item in this bill, but it also applies to previously enacted non-defense bills (Energy & Water, Homeland Security, Interior, and Leg. Branch). Further, all Commerce-Justice-State appropriations accounts are subject to an *additional* 0.46 percent reduction on top of the 0.59 percent across-the-board cut.

The following is a quick analysis of the Omnibus Appropriations from a California perspective, prepared by the California Institute. We apologize for errors or omissions in our discussion, and would appreciate any input or feedback on how to make improvements. The ordering of items generally reflects their appearance in the bill and does not imply relative importance.

This report is available at <http://www.calinst.org/pubs/omn04c.htm> and in printable pdf format at <http://www.calinst.org/pubs/omn04c.pdf> .

SPECIAL NOTE: NEW EMERGENCY HEALTH SERVICES IMMIGRANT FUNDS INCLUDED IN MEDICARE BILL – CALIFORNIA TO RECEIVE APPROXIMATELY \$72 MILLION ANNUALLY, STARTING IN 2005

[Though not in the omnibus, the following has special California relevance.]

The medicare prescription drug bill (H.R.1) signed last week mandates the appropriation of \$1 billion over four years (fiscal years 2005-2008) to reimburse states for the cost of providing emergency health care services to undocumented immigrants, with the formula allotment based two-thirds on an INS count of undocumented immigrant by state, and one-third to the six states with the most undocumented immigrant apprehensions. According to Department of Homeland Security estimates, California housed 31.6 percent of the nation’s undocumented immigrants in 2000 (an estimated count of about 2.2 million), meaning the state should receive more than twice the funding of second-ranked Texas under the larger formula factor. For apprehensions, California ranked third for a total of 237,000 in 2002, making the state also eligible for funds under the second factor. A table at <http://www.calinst.org/datapages/undocumented.htm> by the California Institute shows that California should receive \$72 million (29% of the U.S. total) if funds are allocated based on these data. (Newer INS and census data may be available to make the initial allocation in FY 2005.)

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DEPARTMENT OF AGRICULTURE

The Omnibus Agreement provides a total of \$80.6 billion, of which \$16.8 billion is discretionary funding for FY04, a reduction of six percent (-\$943 million) from FY03 and 4.5 percent (-\$198 million) less than the Administration's request. *(Note that every account listed is subject to a 0.59 percent reduction.)*

Agricultural Research Service

The conference agreement provides \$1,088,892,000 for the Agricultural Research Service, Salaries and Expenses, instead of \$1,014,000,000 as proposed by the House and \$1,045,533,000 as proposed by the Senate.

Increased funding is provided for the following:

Maize (Albany), \$180,000;

Broomweed Biological Controls, Albany, \$270,000;

Cotton Pathology Research, Shafter, \$270,000;

Pierce's Disease/Glassy-winged Sharpshooter (Davis, CA/Parlier, CA/Ft. Pierce, FL), \$450,000;

Sudden Oak Disease/Sudden Oak Disease Syndrome (Ft. Detrick, MD/Davis, CA), \$450,000;

Sustainable Viticulture Research (Davis), \$270,000;

Verticillium Wilt (Salinas), \$360,000;

Buildings and Facilities

The conference agreement provides \$63,810,000 for the Agricultural Research Service, Buildings and Facilities, instead of \$35,900,000 as proposed by the House and \$46,000,000 as proposed by the Senate. The following items reflect the conference agreement:

Grape Genomics Research Center (Davis), \$2,700,000;

U.S. Agricultural Research Station (Salinas), \$4,500,000;

Cooperative State Research, Education, and Extension Service**Research and Education Activities**

The conference agreement provides \$621,447,000 for research and education activities instead of \$597,372,000 as proposed by the House and \$617,575,000 as proposed by the Senate.

Within that amount, the following is provided for California:

Special Research Grants:

Exotic Pest Diseases, \$1.8 million

Ozone Air Quality, \$384,000

Pierce's Disease, \$2.025 million

Sudden Oak Death, \$89,000

Sustainable Agriculture, \$447,000

Viticulture Consortium, \$1.609 million

Animal and Plant Health Inspection Service**Salaries and Expenses**

The conference agreement provides \$720,580,000 for the Animal and Plant Health Inspection Service (APHIS) instead of \$725,502,000 as proposed by the House and \$705,552,000 as proposed by the Senate. Included in that amount, under Pest and Disease Exclusion is \$57,059,000 for fruit fly exclusion and detection.

The conference agreement provides an increase of \$2,266,000 for Pest Detection programs of which \$750,000 is for a cooperative agreement with the California County Pest Detection Augmentation Program.

The conference agreement provides an increase of \$18,250,000 for Emerging Plant Pests of which \$4,750,000 is for glassy-winged sharpshooter eradication and control.

Agricultural Marketing Service

The conference agreement provides \$75,430,000 for the Agricultural Marketing Service instead of \$75,953,000 as proposed by the House and \$75,263,000 as proposed by the Senate.

Conservation Programs - Natural Resources Conservation Service**Conservation Operations**

The conference agreement provides \$853,004,000 for Conservation Operations instead of \$850,004,000 as proposed by the House and \$826,635,000 as proposed by the Senate.

The Conference Report states that: "The conferees urge NRCS to make EQIP funding available for public land contracts to the maximum extent permitted under the law. In particular, the conferees are concerned that EQIP funding be made available for public land ranchers in states such as AZ, NM, ID, UT, OR, CA, CO, and WY to help meet regulatory demands and to relieve utilization pressure on private lands in those states."

From the funds provided are the following allocations:

Alameda County (CA) watershed surveys—\$125,000;

East Valley Conservation District/Santa Ana Watershed Authority (CA) Plant Removal— \$1,000,000;

Monterey Bay (CA) Sanctuary—\$600,000;

Lake Tahoe Basin Soil Conservation Project (NV/CA)—\$500,000; and

Lake Tahoe Basin area soil survey (NV/CA)—\$180,000.

Watershed and Flood Prevention Operations

The conference agreement provides \$87,000,000 for Watershed and Flood Prevention Operations instead of \$90,000,000 as proposed by the House and \$55,000,000 as proposed by the Senate.

Watershed Rehabilitation Program

The conference agreement provides \$29,805,000 for the Watershed Rehabilitation Program as proposed by the Senate instead of \$40,000,000 as proposed by the House.

Rural Development Programs

The conference agreement provides \$636,000 for the Office of the Under Secretary for Rural Development as proposed by the House instead of \$651,000 as proposed by the Senate.

The conferees direct the Under Secretary to give consideration to the Cold Canyon Park (CA) forestry center which is requesting financial and/or technical assistance, and grants and/or loans made available under the Rural Development mission area.

Rural Housing Service

The conference agreement provides a total subsidy of \$232,347,000 for activities under the Rural Housing Insurance Fund Program Account instead of \$232,426,000 as proposed by the House and \$231,860,000 as proposed by the Senate. The Conference Report states that the "Rural Housing Service is encouraged to work with South County Housing Corporation in Monterey County on the Salinas Road Swing Housing Project."

Rental Assistance Program

The conference agreement provides \$584,000,000 for the Rental Assistance Program instead of \$731,000,000 as proposed by the House and \$721,281,000 as proposed by the Senate.

Mutual and Self-help Housing Grants

The conference agreement provides \$34,000,000 for Mutual and Self-Help Housing Grants as proposed by the Senate instead of \$34,772,000 as proposed by the House.

Rural Housing Assistance Grants

The conference agreement provides \$46,222,000 for Rural Housing Assistance Grants as proposed by the Senate instead of \$42,222,000 as proposed by the House.

DOMESTIC FOOD PROGRAMS

Child Nutrition Programs

The conference agreement provides \$11,417,441,000 for Child Nutrition Programs, instead of \$11,418,441,000, as proposed by both the House and Senate. The conference amount includes full funding of the request for program expenses, and \$5,000,000 for a certification study, instead of \$6,000,000 as requested. Included in the total is an appropriated amount of \$6,717,780,000 and a transfer from section 32 of \$4,699,661,000.

Special Supplemental Nutrition Program for Women, Infants, And Children (WIC)

The conference agreement provides \$4,639,232,000 for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), as proposed by the Senate, instead of \$4,588,310,000 as proposed by the House.

Food Stamp Program

The conference agreement provides \$30,945,981,000 for the Food Stamp Program, instead of \$27,745,981,000, as proposed by the House and \$29,945,981,000 as proposed by the Senate. Included in this amount is a reserve of \$3,000,000,000, instead of \$2,000,000,000, as proposed in the budget request.

Commodity Assistance Program

The conference agreement provides \$150,000,000 for the Commodity Assistance Program, instead of \$166,072,000, as proposed by the House and \$145,740,000 as proposed by the Senate.

Nutrition Programs Administration

The conference agreement provides \$138,304,000 for Nutrition Programs Administration, as proposed by the Senate, instead of \$140,512,000 as proposed by the House. Included in this amount is not less than \$4,000,000 to improve integrity in the Food Stamp Program and Child Nutrition Program.

FOOD AND DRUG ADMINISTRATION

The conference agreement provides total appropriations, including Prescription Drug User Fee Act, Medical Device User Fee Act, and Animal Drug User Fee Act collections, of \$1,673,441,000 for the salaries and expenses of the Food and Drug Administration, instead of \$1,668,249,000, as proposed by the House and \$1,663,228,000, as proposed by the Senate.

The conferees direct that no less than \$13,270,000 be available for grants and contracts awarded under section 5 of the Orphan Drug Act.

The conferees direct that no less than \$53,750,000 of total funding appropriated for FDA be provided for the generic drugs program.

DEPARTMENT OF JUSTICE

The Omnibus Conference Report provides \$19.7 billion in discretionary spending for the Department of Justice. (Note that every account listed is subject to a 0.59 percent reduction.)

Drug Enforcement Administration

Methamphetamines.--The conferees adopt by reference House language regarding methamphetamines, and continued support of State, local, and Federal law enforcement programs. The House language is as follows: "The Committee is also concerned with the continuing problem of methamphetamine use across the United States, particularly since meth traffickers are sometimes also involved in the distribution of marijuana, cocaine and heroin. The Committee expects the DEA to continue working with OJP [Office of Justice Programs] on implementation of methamphetamine programs, and with State, local, and other Federal law enforcement entities to combat this problem. The Committee expects the DEA to continue its participation in the High Intensity Drug Trafficking Areas, particularly those operating in the Midwest, to combat the influx of methamphetamines. To ensure the DEA has the ability to effectively monitor clean-up of methamphetamine labs, the Committee includes an increase of \$700,000 for contract oversight and management.

Federal Prison System

The conference agreement includes \$4,461,257,000 for the salaries and expenses of the Federal Prison System as proposed by the House, instead of \$3,872,791,000 as proposed by the Senate. The conferees include activation funding as follows:

- \$35,562,000 for Victorville U.S. Prison; and
- \$36,092,000 for Herlong/Sierra medium camp.

Office of Justice Programs

The conference agreement provides \$3,095,017,000 for State and local law enforcement grants instead of \$3,491,261,000 as proposed by the House and \$2,630,637,000 as proposed by the Senate. The amount provided is \$763,785,000 above the Administration's request.

Justice Assistance

The conference agreement includes \$190,125,000 for Justice Assistance. The conferees do not adopt the Administration's proposal to consolidate all Office of Justice Programs (OJP) activities under this heading. The conference agreement provides the following amounts for these programs: National Institute of Justice - \$48,000; Bureau of Justice Statistics - \$32.1 million; National White Collar Crime - \$9 million; Regional Information Sharing System - \$30 million; Management and Administration - \$35 million; Missing Children Program - \$36 million.

State and Local Law Enforcement Assistance

The conference agreement provides a total appropriation of \$1,297,684,000. FY03 funding for all State and Local Law Enforcement Assistance programs was \$2,030,990,000.

Local Law Enforcement Block Grants are funded at \$225 million versus the \$397.4 million appropriated in FY03.

State Criminal Alien Assistance Program is funded at \$300 million as opposed to the \$248,375,000 appropriated in FY03 (figure reflects an across the board cut from the \$250 million approved in FY03). California, historically, has received about 40 percent of SCAAP disbursements. The state and local governments received a total of \$95,304,541 in SCAAP payments in FY2003.

The Omnibus report contains language directing funds to be disbursed "only as a direct reimbursement for each State's documented costs for incarcerating undocumented criminal aliens." If this language is interpreted to require that an alien's status be verified by Immigration and Customs Enforcement (formerly INS), it may result in a reduction in reimbursements to California and its local governments. According to representatives of Los Angeles County, despite requests by the County, ICE often fails to verify an incarcerated alien's status before his/her release. If ICE verification is required, it is estimated that in FY 2003, SCAAP payments nationally would have been \$79,992,384 less. California would have received \$9.3 million (14%) less than its FY2003 SCAAP payment of \$66,182,010; Los Angeles County would have received \$2.2 million (19%) less than its payment of \$11,451,278; and, Orange County would have received \$3 million (73%) less than its payment of \$4,254,330. Other California jurisdictions would also have lost money.

Edward Byrne Law Enforcement Assistance -The conference agreement includes \$659,117,000 for the Edward Byrne Memorial State and Local Law Enforcement Assistance Program, of which \$159,117,000 is for discretionary grants and \$500,000,000 is for formula grants. Within the amount provided for discretionary grants, OJP is expected to review the following proposals, provide grants if warranted, and report to the Committees on Appropriations regarding its intentions:

- \$2,000,000 for the Tools for Tolerance program in California;
- \$3,000,000 for a law enforcement information sharing program in CA;
- \$500,000 for the Redlands Police Department for a crime mapping project;
- \$100,000 for the Cathedral City Police Department for an After-School Program;
- \$250,000 for Orange County for a mobile regional gang enforcement team;
- \$300,000 for Orange County for an integrated law and justice program;
- \$300,000 for Gun Crimes Reduction Task Force in Ventura County;
- \$100,000 for the College of the Cannons in Santa Clarita Valley for law enforcement training;
- \$750,000 for the San Joaquin Valley Rural Crime Prevention Program;
- \$250,000 for the Stanislaus County Meth Gang Enforcement Project;

\$150,000 for the Kern County District Attorney for equipment to assist in criminal gang investigations;
\$750,000 for the California Department of Justice for the San Francisco Bay area sexual assault screening program;

\$100,000 for Solano County for enhanced law enforcement activities;

\$100,000 for the County of Santa Clara for the Financial Abuse Specialist Team; and

\$100,000 for the San Jose Police Department for law enforcement enhancements;

Weed And Seed Program - The conference agreement includes \$58,542,000 for the Weed and Seed program as provided by the Senate. The conference agreement adopts by reference the House report language requiring OJP to submit a report to the Committees on Appropriations on the coordination of the Weed and Seed program with Project Safe Neighborhoods, the Bureau of Alcohol, Tobacco, Firearms and Explosives's Youth Crime Gun Interdiction Initiative and other Department of Justice and Federal programs.

Community Oriented Policing Services - The conference agreement includes \$756,283,000 for Community Oriented Policing Services (COPS) programs instead of \$682,933,000 as proposed by the House and \$656,636,000 as proposed by the Senate. The conference agreement states that it "provides significant resources above the request to enhance the ability of the COPS office to accomplish their mission of advancing community policing practices. While the conferees appreciate the Administration's need to address its Federal counterterrorism responsibility, this need should not preclude the Administration from executing other law enforcement responsibilities such as local law enforcement programs aimed at ensuring community safety."

Within the funding provided, \$54,050,000 is appropriated for Meth Hot Spots. In FY03, funding of \$56,761,000 was provided.

COPS Hiring Program - The conference agreement includes \$120,000,000 for the hiring of law enforcement officers, of which \$60,000,000 shall be for school resource officers. From within available amounts, \$5,000,000 is for training and technical assistance. The conference agreement adopts by reference the House report language concerning events of national or regional importance and directing COPS to submit a report to the Committees on Appropriations on "best practices" within 180 days of enactment of this Act.

Methamphetamine Enforcement and Clean-Up - The conference agreement includes \$54,050,000 for State and local law enforcement programs to combat methamphetamine production and distribution, to target drug "hot spots," and to remove and dispose of hazardous materials at clandestine methamphetamine labs.

Within the amount provided, the conference agreement includes \$20,000,000 to reimburse the Drug Enforcement Administration (DEA) for assistance to State and local law enforcement for proper removal and disposal of hazardous materials at clandestine methamphetamine labs. The conference agreement provides \$5,000,000 for training, technical assistance and grants to localities with highest priority needs. The conference agreement adopts by reference the House report language concerning coordination with other Federal agencies.

In addition, within the amount provided, the conferees expect the COPS Program Office, in consultation with DEA, to examine each of the following proposals, to provide grants if warranted, and to submit a report to the Committees on Appropriations on its intentions for each proposal:

- \$3,000,000 for the California Department of Justice, Bureau of Narcotic Enforcement, for the California Methamphetamine Strategy (CALMS);

- \$300,000 for the Riverside County Sheriff's Department to combat production and distribution of methamphetamine; and

- \$200,000 for Phoenix House for methamphetamine treatment programs in Los Angeles.

Law Enforcement Technology Program - The conference agreement includes \$158,407,000 for the COPS Law Enforcement Technology Program. Within the amounts provided under this account, grants should be provided for the following:

- \$500,000 for the City of Fairfield Police CAD/RMS Dispatch and Records Project;

- \$1,000,000 for Carlsbad for the Automated Regional Justice Information System;

- \$750,000 for the Placer County Sheriff's Department for law enforcement technologies;

- \$500,000 for the Plumas County Sheriff's Department for law enforcement technologies;

- \$750,000 for the East Valley Community Justice Center;

- \$250,000 for the San Bernardino Police Department for mobile data terminals;

- \$1,000,000 for the Los Angeles County Sheriff's Department for law enforcement technologies;

- \$1,000,000 for the Los Angeles County Sheriff's Department for law enforcement technologies;

- \$300,000 for the Sacramento County Sheriff's Department for IT infrastructure upgrades including the Sheriff's Information Management System;

- \$250,000 for the County of Contra Costa for an integrated justice information system;

- \$750,000 for the City of San Francisco to implement the Justice Information Tracking System;

- \$1,000,000 for San Francisco Bay Area law enforcement technology systems;

- \$150,000 for the City of Pomona for law enforcement technologies;

- \$200,000 for the City of Lakewood Sheriff Station for technology improvements;

- \$50,000 for the City of Fullerton for law enforcement technologies;

- \$200,000 for the West Covina Police Department for law enforcement technology improvements;

\$200,000 for the California Highway Patrol for law enforcement technology upgrades;
 \$150,000 for the San Luis Obispo County Sheriff's Department for law enforcement equipment;
 \$100,000 for the City of San Diego for law enforcement technologies;
 \$300,000 for Sacramento County for law enforcement technologies;
 \$100,000 for the University of Southern California Advanced Simulation Training for law enforcement research;
 \$100,000 for the Long Beach Police Department for law enforcement technologies;
 \$100,000 for the City of Inglewood for law enforcement technologies; and
 \$100,000 for the City of Santa Rosa for law enforcement technologies.

Southwest Border Prosecutors - The conference agreement includes \$30,000,000 for the Southwest Border Prosecutors initiative. The conference agreement adopts by reference the House report language directing the Department to study whether a similar number of cases are being referred to local prosecutors from Federal arrests along the Northern border. The Department shall report its findings to the Committees on Appropriations within 90 days of enactment of this Act.

Juvenile Justice Programs

The conference agreement includes \$352,700,000 for Juvenile Justice programs, instead of \$462,282,000 as proposed by the House and \$232,330,000 as proposed by the Senate.

State Formula Grants--The conference agreement includes \$84,000,000 for the Part B--State Formula grants. The conferees ask Governors and relevant State and local officials to review the following proposals and provide grants if warranted:

California Law Enforcement Internet Safety for Children; and
 STOP the Violence--Students Taking On Prevention of California.

Discretionary Grants - The conference agreement includes \$79,600,000 for part E programs. Within the amounts provided, OJP is expected to review the following proposals, provide grants if warranted, and report to the Committees on Appropriations on its intentions:

\$350,000 for the Rialto Police Activities League [PAL] Program;
 \$300,000 for the Los Angeles CLEAR Program;
 \$250,000 for the IMPACT/Night Light Program in San Bernardino County to team police officers with probation officers to reduce juvenile crime;
 \$100,000 for the City of Downey for an anti-gang program;
 \$250,000 for Huntington Park for juvenile assistance activities at the Police Department Regional Youth Center;
 \$250,000 for the Los Angeles LA's BEST After School Enrichment Program;
 \$50,000 for the Studio LAB in Los Angeles for the "Central City Gardens Initiative";
 \$100,000 for the Cypress Park Youth and Family Center in Los Angeles for programs for at-risk youths;
 \$100,000 for El Centro Del Pueblo youth programs;
 \$100,000 for A Place Called Home in Los Angeles for the expansion of the "Creative Expression" program;
 \$50,000 for the Hacienda-La Puente Unified School District for the Seniors With Interests in New Generations Delinquency Prevention Program;
 \$100,000 for the Santa Barbara Police Department for the Police Activities League;
 \$100,000 for the Martin Luther King, Jr. Freedom Center in Oakland to promote conflict resolution and decrease youth violence;
 \$100,000 for the Humboldt County Gang Risk Intervention Program; and
 \$250,000 for Los Angeles Community Law Enforcement and Recovery (CLEAR), Hollenbeck Division, for a multi-jurisdictional program to combat gangs and violence.

DEPARTMENT OF COMMERCE

The Conference Report appropriates \$6 billion for the Commerce Department, \$212 million more than in fiscal 2003 and \$193 million more than Administration's request. *(Note that every account listed is subject to a 0.59 percent reduction, and that the Commerce Department is also subject to an additional 0.46 percent cut.)*

Economic Development Assistance Programs

The conference agreement includes \$288,115,000 for Economic Development Assistance (EDA) Programs. The conferees direct EDA to continue traditional programs to provide needed assistance to communities struggling with long-term economic dislocation, as well as sudden and severe economic dislocation. Of the amounts provided, \$202,280,000 is for Public Works and Economic Development, \$40,900,000 is for Economic Adjustment Assistance, \$24,000,000 is for planning, \$8,435,000 is for technical assistance, including university centers, \$12,000,000 is for trade adjustment assistance, and \$500,000 is for research.

National Oceanic and Atmospheric Administration

The conference agreement includes total funding of \$2,748,520,000, for Operations, Research and Facilities, as proposed by the Senate, instead of \$2,259,705,000 as proposed by the House. Of the amounts provided, \$62,000,000 is from balances in the account entitled, Promote and Develop Fishery Products and Research Pertaining to American Fisheries, instead of \$79,251,000 as proposed by the House, and \$52,000,000 as proposed by the Senate.

National Ocean Service

The conference agreement includes a total of \$513,910,000 for activities of the National Ocean Service (NOS) for fiscal year 2004. Within that amount, the following allocations are made:

Geodesy - \$1 million is provided to California

Coastal Assessment Program/Coastal Change Analysis - \$2.5 million for the California Center for Integrative Coastal Research; \$2.5 million for the Center for Integrated Marine Technologies at the Univ. of Southern California; and \$2 million for the Southern California Coastal Ocean Observing System at Scripps.

Coastal Research - \$500,000 for Monterey Bay Watershed.

National Marine Fisheries Service

The conference agreement includes \$639,990,000 for the operations of the National Marine Fisheries Service (NMFS).

The Conference Report states: "The conferees remain concerned regarding the seismic and erosion conditions near the Southwest Fisheries Science Center (SWSC). The conferees understand that economies of scale may be achieved by collocating the SWSC with other NOAA facilities in California. In 1997, the Department of Commerce Office of the Inspector General issued a report, which highlighted options for relocation of the SWSC. The Committee directs NOAA to issue a follow-on report on the best location for SWSC facilities by no later than June 30, 2004."

From the money appropriated, the following allocations are made:

California Sea Lions/Protected Species Management - \$750,000

Expand Stock Assessments (Fish) - California Oceanic Cooperative Fisheries Investigation - \$900,000

Chinook Salmon - Pacific Salmon Treaty/Chinook Salmon Agreement - \$1,844,000

Pacific Salmon - Pacific Salmon Treaty - \$5,612,000.

Oceanic and Atmospheric Research

The conference agreement includes \$400,813,000 for the Oceanic and Atmospheric Research (OAR) line office.

Procurement, Acquisition, and Construction - For the National Ocean Service, the following allocations are made:

Coastal and Estuarine Land Conservation Program - Elkhorn Slough/Moss Landing, \$1.5 million; San Pablo Bay, \$1 million; Sand Hill Bluff (Santa Cruz County), \$2 million; South Orange Natural Community, \$500,000

Pacific Coastal Salmon Recovery - The conference agreement includes \$90,000,000, the same amount as proposed by both the House and the Senate, of which \$5,000,000 is for the State of Idaho, \$26,274,000 is for the State of Washington, \$20,868,000 is for the State of Alaska, \$13,133,000 is for the State of Oregon, \$13,133,000 is for the State of California, \$8,500,000 is for the Pacific coastal tribes, and \$3,092,000 is for the Columbia River tribes.

DEPARTMENT OF STATE

(Note that every account listed is subject to a 0.59 percent reduction, and that the State Department is also subject to an additional 0.46 percent cut.)

INTERNATIONAL COMMISSIONS**International Boundary And Water Commission, United States And Mexico**

The conference agreement includes a total of \$29,551,000 for the International Boundary and Water Commission, United States and Mexico (IBWC). The total amount provided includes \$26,000,000 for Salaries and Expenses and \$3,551,000 for Construction. The conference agreement includes language authorizing expenses not to exceed \$6,000 for representation expenses.

The conference agreement "assumes that the IBWC may carry out requested Western Boundary activities using prior year unobligated balances, and propose a distribution of such funds through the regular reprogramming process. The conferees encourage the IBWC to attempt, if possible, to achieve greater secondary treatment of Mexican sewage within current funding levels under this account. Any plan that assumes a significant increase in appropriations under this heading in future years is not feasible given resource restraints and competing priorities."

DEPARTMENT OF LABOR

(Note that every account listed is subject to a 0.59 percent across-the-board reduction.)

Training and Employment Services

The conference report appropriates \$2.7 billion for Training and Employment Services, a decrease of \$2.5 billion in comparison to the funding level provided in the FY03 conference report. Of the total amount appropriated, \$72.2 million is provided for formula grants and \$4.6 million for migrant seasonal housing. The bill provides \$2.643 billion in separate funding for the Workforce Investment Act of 1998. The total includes the following California earmarks:

- \$100,000 for Antelope Valley Community College District to provide upgrade training for new hires, incumbent and dislocated aerospace workers;

- \$500,000 for California State University, Chico, for plastic molding machines in the Engineering School Plastics Laboratory in order to provide students with technological training to prepare them for careers in California;
- \$100,000 for the City of Sacramento for the Sacramento Housing and Redevelopment Agency to provide a summer youth employment program;
- \$250,000 for Life Steps Foundation, Inc., located in Arroyo Grande for establishment of the Life Steps Foundation Rural Computer Utilization and Job Skills Training Program;
- \$250,000 for Martha's Village and Kitchen, located in Indio for operational expenses;
- \$250,000 for Pride Industries, located in Rosedale to create long-term jobs for persons with disabilities and other barriers to employment;
- \$125,000 for San Diego Workforce Partnership to enhance the Workforce Partnership's English as a Second Language programs; and
- \$500,000 for University of the Pacific, located in Stockton for operating funds for a Business Forecasting Center.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

For the Department of Health and Human Services, the report provides a funding level of \$6.7 billion for FY04, which is approximately \$200 million higher than the amount appropriated in the FY03 conference report. The total includes \$753.3 million for the State Aids Drug Assistance Program. The total includes the following California earmarks:

- \$400,000 for the Center for Innovation in Behavioral Health at Alliant International University located in San Diego;
- \$425,000 for the Children's Hospital and Health Center located in San Diego;
- \$200,000 for the Children's Hospital of Central California located in Madera;
- \$500,000 for Ed Roberts Campus in Berkeley for a clinic and rehabilitation center for people with disabilities;
- \$500,000 for Edgemoor Hospital located in Santee;
- \$750,000 for Grossmont Hospital Foundation located in La Mesa;
- \$750,000 for Hi-Desert Medical Center located in Joshua Tree;
- \$500,000 for Kaweah Delta Health Care District located in Visalia;
- \$250,000 for Miller's Children's Hospital located in Long Beach;
- \$200,000 for Modoc Indian Health Project located in Alturas for the Modoc Medical Center and Surprise Valley District Hospital;
- \$100,000 for Mt. San Jacinto College located on Menifee Valley Campus;
- \$500,000 for Multi Dimensional Imaging, Inc., located in Newport Beach for equipment;
- \$1,000,000 for Orthopaedic Hospital of Los Angeles;
- \$100,000 for Paradise Valley Hospital located in National City;
- \$750,000 for Placer County;
- \$250,000 for Plumas County Seniors Nutrition Program located in Plumas;
- \$150,000 for Preventive Medicine Research Institute located in Sausalito;
- \$134,000 for Riverside Community College District located in Riverside;
- \$250,000 for San Joaquin Community Hospital located in Bakersfield;
- \$335,000 for San Ysidro Health Center;
- \$1,000,000 for StemCyte Research Institute located in Arcadia;
- \$500,000 for Tehachapi Hospital which is part of the Tehachapi Valley Healthcare District;
- \$450,000 for University of California, Irvine Health System;
- \$400,000 for University of California, Irvine;
- \$150,000 for University of California, San Diego Medical Center.

Centers for Disease Control and Prevention

The bill provides \$4.545 billion in funding for disease control, research, and training, of which \$12.5 million is made available for grants to the states. The FY04 amount is \$245 million above last year's appropriation. The conference includes funding for the following California earmarks:

- \$2,000,000 for Community College Foundation located in Sacramento for the ePassport foster child health and education data tracking program;
- \$1,000,000 for Monterey Institute, Center for Nonproliferation Studies located in Monterey for enhancing bioterrorism preparedness;

National Institutes of Health

The report appropriates \$27.6 billion for the National Institutes of Health (NIH), which is \$1.5 billion higher than the amount provided in the FY03 conference report. The total appropriated for the National Institutes of Health includes:

- \$4,770,519,000 for the National Cancer Institute
- \$2,897,145,000 for the National Heart, Lung, and Blood Institute
- \$385,796,000 for the National Institute of Dental and Craniofacial Research

- \$1,682,457,000 for the National Institute of Diabetes and Digestive and Kidney Diseases
- \$1,510,776,000 for the National Institute of Neurological Disorders and Stroke
- \$4,335,155,000 for the National Institute of Allergy and Infectious Diseases
- \$1,916,333,000 for the National Institute of General Medical Services
- \$1,250,585,000 for the National Institute of Child Health and Human Development
- \$657,199,000 for the National Eye Institute
- \$636,974,000 for the National Institute of Environmental Health Sciences
- \$1,031,311,000 for the National Institute on Aging
- \$504,300,000 for the National Institute of Arthritis and Musculoskeletal and Skin Diseases
- \$384,477,000 for the National Institute on Deafness and Other Communication Disorders
- \$135,555,000 for the National Institute of Nursing Research
- \$431,471,000 for the National Institute on Alcohol Abuse and Alcoholism
- \$997,414,000 for the National Institute on Drug Abuse
- \$1,390,714,000 for the National Institute on Mental Health
- \$482,222,000 for the National Genome Research Institute
- \$288,900,000 for the National Institute of Biomedical Imaging and Bioengineering
- \$1,186,183,000 for the National Center for Research Resources
- \$117,752,000 for the National Center for Complementary and Alternative Medicine
- \$192,724,000 for the National Center on Minority Health and Health Disparities
- \$65,800,000 for the John E. Fogarty International Center
- \$311,635,000 for the National Library of Medicine.

A separate section of the conference report provides \$78.7 million for the NIH's National Institute of Environmental Health.

Substance Abuse and Mental Health Services

The report sets the funding level for Substance Abuse and Mental Health Services at \$3,370,813,000, of which \$3,253,763,000 is provided through budget authority and \$117,050,000 is provided through the evaluation set-aside. The total includes \$16 million in funding to carry out national surveys on drug abuse. The total includes a \$500,000 earmark for the Ventura County Probation Agency for the Emotionally Challenged Juvenile Offender Intervention Program and a \$350,000 earmark for Second Chance Program located in La Mesa for a substance abuse rehabilitation demonstration transition program in the New Mexico State prison system.

Centers for Medicare and Medicaid Services

Medicaid

The agreement anticipates \$172.7 billion in "current law benefits" in 2004 for the Grants to States for Medicaid program, \$24 billion more than listed for 2003. However, entitlement funding for Medicaid is reimbursed to state and local health care providers retroactively and is thus difficult to estimate in advance. California received slightly more than 10 percent of federal Medicaid expenditures at last count. The conference report also provides funding for the following earmarks:

- \$1,750,000 for the AIDS Healthcare Foundation in Los Angeles for a demonstration of residential and outpatient treatment facilities;
- \$100,000 for Santa Clara County for its Children's Health Initiative program to provide outreach and enrollment assistance for families under 300 percent of the federal poverty level.

Administration for Children and Families

Payments to States for Child Support Enforcement and Family Support Programs

The conference agreement appropriates \$3.3 billion for payments to states for child support enforcement and family support programs. The total appropriated is \$2.2 billion higher than the amount provided in the FY03 conference report.

Low-Income Home Energy Assistance Program (LIHEAP)

The Low-Income Home Energy Assistance Program is funded at \$1.8 billion, which is \$100 million above the amount appropriated last year. The bill also provides \$100 million in emergency funding for the unanticipated home energy assistance needs of one or more states.

Refugee and Entrant Assistance

The report provides \$450.3 million to cover the necessary expenses for refugee and entrant assistance activities. The FY04 amount is \$30.3 million higher than last year's appropriation.

Payments to States for the Child Care and Development Block Grant

To subsidize the states for providing child care assistance for low-income families the agreement appropriates \$2.1 billion, which is essentially the same amount as was appropriated in FY03.

Social Services Block Grant

The bill provides \$1.7 billion for Social Services Block Grant. The total is the same as was appropriated in the FY03 conference report.

Children and Families Services Program

The conference report appropriates a total of \$8.8 billion for the Children and Families Services Program, of which \$7.5 million is set aside for grants to States for adoption incentive payments. The amount appropriated is \$173 million higher than the amount provided last year. The total includes:

- \$6.816 billion in funding for Head Start, an increase of \$148 million over the amount appropriated in FY03;
- \$735,686,000 to fund the Community Services Block Grant;
- \$89,978,000 for the administration of activities under the Runaway and Homeless Youth Act;
- \$48 million for the "Compassion Capital Fund", which is an increase of \$13 million over the FY03 appropriation of \$35 million, to fund qualified charitable organizations that wish to expand or emulate model programs.

Payments to States for Foster Care and Adoption Assistance

The report appropriates \$5.1 billion in funding for payments to states for foster care and adoption assistance. The FY04 total is approximately \$245 million higher than the amount provided in the FY03 conference report. California typically receives roughly one fourth of federal foster care expenditures.

Administration on Aging

Within the \$1.382 billion total, the report provides \$5.5 million for activities regarding medication management, screening, and education to prevent incorrect medication and adverse drug reactions.

DEPARTMENT OF EDUCATION

The fiscal year 2004 omnibus conference report provides a total of \$58.5 billion for the Department of Education, an increase of \$2.9 billion above the 2003 amount. Of this total, \$43.5 billion is available in fiscal year 2004, and \$15 billion is postponed until 2005. *(Note that every account listed is subject to a 0.59 percent across-the-board reduction on 2004 amounts. The cut is also to be applied to funds listed in the 2003 appropriations bills but slated to be an advance appropriation for 2004.)*

Nearly half the funds are slated for Elementary and Secondary Education Act programs, which will receive \$24.6 billion, an increase of \$767 million above 2003 levels.

Title I

The largest federal education grant and the fourth largest formula grant of any kind is Title I, also known as Education for the Disadvantaged, which provides grants to local educational agencies (LEAs) to help school districts educate low-income children. The conference agreement provides \$12.4 billion, a slight increase from the House- and Senate-proposed amount and \$727 million above the 2003 level. California typically receives between 12 and 13 percent of Title I funds.

Historically comprising just two grants, Title I now includes four separate grants, each with its own different formula. The oldest and largest of these four is the basic grant program, which would receive \$7.1 billion, the same as in 2003. Also receiving level funding from 2003 is the concentration grants program, which would receive \$1.365 billion. Two newer grant components – targeted grants and education finance incentive grants (EFIG) – will receive nearly \$2 billion each. Of the four grants, the targeted grants program returns the greatest percentage share to California, and EFIG returns the least relative share. (The Senate had initially proposed more funding for EFIG, whereas the House version had proposed more for targeted grants.)

The conference agreement requires annual updates of census poverty data for distributing Title I funds – to date, updates have been conducted every two years. (Senate-proposed language was deleted that would have specified which year's data would have been used to calculate grants for fiscal year 2004.)

For other programs under the Title I umbrella, the agreement also provides \$248 million for Even Start, \$1.03 billion for Reading First State Grants, \$48.7 million for neglected and delinquent youth, \$235 million for comprehensive school reform, \$19 million for high school equivalency, \$15.75 million for the college assistance migrant program, and \$396 million for migrant education (not surprisingly, a large portion of migrant-focused educational funding flows to California).

Impact Aid

For the federal impact aid program, which assists school districts where a significant portion of the potential tax base is exempted from state and local taxation because of federal activity (such as a military base), the agreement provides \$1.07 billion for impact aid basic grants, \$62 million for payments for federal property, and \$46.2 million for construction. Impact aid is lessening in its importance for California as military installations are closed and personnel move out of the state. Whereas California received as much as 10 percent of impact aid funds ten years ago, the state's share of national receipts has been nearer 6 percent recently.

School Improvement

The Omnibus agreement provides \$5.8 billion for School Improvement Programs, including \$2.9 billion for State grants for improving teacher quality \$150 million for math and science partnerships, \$300 million for the education block grant, \$1 billion for the 21st Century Community Learning Centers program, and \$390 million for State assessments.

Innovation and Improvement

A total of \$1.1 billion is provided for various programs within the Innovation and Improvement account, a significant increase from the \$808 million proposed by the House and \$782 million proposed by the Senate. The

total includes \$15 million for Troops to Teachers, \$45.6 million for the transition to teaching program, \$37.5 million for credit enhancement for charter schools, and \$27 million to support voluntary public school choice programs.

The account also provides \$430 million for the Fund for the Improvement of Education (FIE), which includes a lengthy list of earmarks, including: \$100,000 for the Bakersfield Music Theatre for the STARS School of Fine Arts; \$350,000 to San Bernardino City Schools to expand the Schools-to-Careers initiatives; \$400,000 to the City of San Jose Office of Early Care and Education Services to enhance training in the Smart Start program; \$500,000 to the City of Stockton for the Stockton After School Program; \$100,000 to the Foundation for the Improvement of Mathematics and Science Education for student assessment, teacher training, and curriculum development, as well as another \$800,000 to implement the Blueprint for Student Success project in the San Diego City Schools; \$500,000 to the Give Every Child A Chance in Manteca to provide tutoring services to children in grades K-12; \$53,000 to Grant Joint Union High School District in Sacramento for a Maritime Technology Training Program; \$1 million to Institute of HeartMath in Boulder Creek for a national demonstration on student standardized testing; \$125,000 to the International Music Products Association in Carlsbad to provide students in San Diego County with music education; \$4 million to the KIPP Foundation in San Francisco for KIPP School Leadership Program; \$400,000 to the LA's BEST After School Enrichment Program in Los Angeles; \$500,000 to the Los Angeles County Office of Education for the Early Advantage Initiative project; \$25,000 to Mira Loma High School in Sacramento for the International Baccalaureate Program; \$100,000 to the Parent Institute for Quality Education in San Diego to provide a parent training program; \$133,000 for the Riverside County Office of Education for the Riverside County Achievement Team Program; \$750,000 to the San Bernardino City Unified School District for a vocational training program, as well as an additional \$500,000 to the San Bernardino City Unified School District for developing English skills for English learners; \$500,000 to the San Bernardino County Superintendent of Schools for a Virtual High Tech High Program; \$326,000 to the San Juan Unified School District in Carmichael for the Focus on Literacy project, plus an additional \$96,000 to the San Juan Unified School District for the Mira Loma High School Arcade Creek environmental education program; \$125,000 to San Pasqual Academy in Escondido for information technology infrastructure; \$400,000 to Think Together in Santa Ana to assist low-income students with homework, tutoring, and mentoring; and \$150,000 to WestEd's Eisenhower Regional Consortium for Science and Mathematics in San Francisco to demonstrate and provide independent evaluation and review of the 24 Challenge and Jumping Levels Math Programs.

In addition to these earmarks, the section provides a \$50,000 earmark to American Theater Arts for Youth in Philadelphia for youth arts programs to be provided in San Diego County, as well as a \$300,000 earmark to the Tides Foundation in San Francisco to provide funds for the McKelvey entrepreneurial college scholarships to rural, low income Pennsylvania high school graduates.

Safe Schools and Citizenship Education

The conference agreement includes \$863 million for programs in safe schools and citizenship education account, including \$445 million for state grants (also known as safe and drug free schools formula grants), \$70 million for physical education, and \$29 million for civic education, and \$25 million for State Grants for Incarcerated Youth.

English Language Acquisition

Formerly known as the office of Bilingual and Immigrant Education, the Office of English Language Acquisition at the Department of Education provides a large portion of its funding to California. The conference agreement provides a total of \$685 million for English Language Acquisition programs (nearer the House total of \$686 million than the Senate amount of \$669 million). The agreement allows the Department to transfer funding not needed to continue discretionary activities under antecedent programs to the formula program line, and it requires that the fiscal year 2004 State allotments be calculated "using Census data utilized in making fiscal year 2003 State allotments and the most recent data reported by States for the number of immigrant children and youth." Language further specifies, "It is the intent of the conferees that data from the previous year only be used for determining allocations for fiscal year 2004 and that data from the American Community Survey will be available for determining the fiscal year 2005 and subsequent years, allocations, as required by the No Child Left Behind Act."

California is specifically noted in report language, which states, "The No Child Left Behind Act (NCLB) calls for school districts to significantly accelerate English learners' progress towards achieving the Act's goals that 100 percent of all students reach proficient status or higher by 2013-2014. The conferees are concerned that for areas such as those in California, where the concentration of English language learners is high, this will be a challenge. The conferees are also aware that a number of regional educational offices have collaborated in an effort to ensure that the goals and requirements of the No Child Left Behind Act's English proficiency provisions will be met. The conferees strongly encourage the Department to provide support for regional educational initiatives that accelerate the academic progress of English language learners and recognize that local educational agencies with heavy concentrations of English learners are particularly challenged in meeting these requirements, with agencies in some cases having to double their instructional efforts to close the academic gap."

Special Education

Recipient of very large annual increases for several years, the Special Education accounts would increase to a total of \$11.3 billion, including \$10.129 billion (a \$1.2 billion increase from 2003) for the Special Education Grants to States program. The programs, funded pursuant to the Individuals with Disabilities Education Act (IDEA), are now the fifth largest federal formula grant of any kind and the second-largest education grant after Title I.

According to a formula estimation model developed under the *Federal Formula Grants and California* project, a joint venture between the California Institute and the Public Policy Institute of California (PPIC - <http://www.ppic.org>), California will likely receive \$1.077 billion or 10.64 percent of the nation's total grant funding from the Special Education Grants to States program. California's share of IDEA grant funding has risen steadily since 2000, when a new formula method was implemented.

Funds for IDEA Preschool Grants were identical in the House and Senate bills, so the conference agreement did not make changes. Preschool Grants funding will be the same as in 2003, a total of \$390 million. California will again receive 10.22 percent of Preschool Grants, or a total of \$39.8 million.

Likewise, for IDEA's Grants for Infants and Families, the House and Senate each agreed to a \$12.8 million increase to \$447 million. According to the *Federal Formula Grants and California* database, California will receive 11.98 percent of these funds, or \$53.6 million.

Within the Special Education section are very few earmarks, though they include \$150,000 to the City of Rocklin for expansion of programs for learning disabled and physically disabled preschool children; and \$50,000 to the Wheelchair Foundation in Danville to train teachers on how to integrate children with physical disabilities into the classroom.

Rehabilitation Services and Disability Research

The agreement provides \$3 billion for Rehabilitation Services and Disability Research, including \$23.9 million for demonstration and training programs that include several earmarks, including \$625,000 to National University in La Jolla for the Institute for Persons Who Are Hard of Hearing or Deaf. California's share of vocational rehabilitation state grants is typically about 10 percent.

Vocational and Adult Education

The conference agreement includes \$2.1 billion for Vocational and Adult Education, which includes \$1.2 billion for vocational education basic State grants. California typically receives approximately 11 percent of vocational education basic grants. Also provided is \$5 million for tech-prep education demonstration and \$9.4 million to continue the occupational and employment information program. Another section provides \$10 million for community technology centers.

The agreement includes \$578 million for adult education State grants, of which California historically has received slightly more than 11 percent.

Student Financial Assistance

The conference agreement includes \$14.1 billion for Student Financial Assistance, somewhat less than proposed by either the House or Senate.

Pell Grants

The agreement provides a program level of \$12.1 billion for Pell Grants, an increase of \$713 million from 2003. The maximum Pell Grant would remain unchanged at \$4,050 (the initial House bill had proposed a reduction to \$4,000).

Federal Supplemental Educational Opportunity Grants

The agreement provides \$775 million in Federal Supplemental Educational Opportunity Grants (SEOG), an increase of \$15 million from fiscal year 2003.

Work-Study

Federally-supported work study would be level funded at slightly more than \$1 billion.

LEAP

The conference agreement includes \$66.6 million for matching funds for the leveraging educational assistance partnership (LEAP) program, the same amount as in the previous year.

Higher Education, including TRIO and GEAR UP

The agreement provides \$2.1 billion for higher education programs, a slight increase of \$8 million above the FY 2003 level. Included are \$81.4 million for the strengthening institutions program, and \$94.5 million for the Hispanic serving institutions program (an increase of \$2.2 million from 2003).

The TRIO program, which provides outreach and support for serving low-income and first-generation college students, would receive a \$10.4 million increase to \$837.5 million.

The GEAR UP program, which helps minority and disadvantaged students prepare for and succeed in college, would receive a \$6.9 million increase to \$300 million.

RELATED AGENCIES - Labor-HHS-Education

(Note that every account listed is subject to a 0.59 percent across-the-board reduction.)

Institute of Museum and Library Services

The conference agreement provides \$262.6 million for the Institute of Museum and Library Services, including \$161.8 million for state grants, \$20 million for 21st Century Librarian Initiative, \$16.9 million for Museums for America, and \$11.3 million for National Leadership Grants for Libraries.

The conference agreement includes earmarks of \$250,000 for Chapman University in Orange for technological infrastructure; \$113,000 for Children's Museum at La Habra for a Hands On English Program; \$150,000 for the Hemet Public Library for library materials and technological equipment; \$387,000 for the Whittier Public Library Children's Area and History Room; \$100,000 to the Fender Museum of the Arts Foundation in Corona for the Kids Rock Free educational program; \$200,000 to the Fine Arts Museums of San Francisco for the De Young Museum's Art Education Program; \$250,000 for the Hesperia Public Library; \$166,000 for the Madera County Resource Management Agency; \$50,000 to the Placer County Library in Auburn for library materials; \$100,000 to Plumas County Library in Quincy for library materials; \$250,000 to San Bernardino County for the San Bernardino County Museum; \$100,000 to Serra Cooperative Library System in San Diego to provide a Live Homework Help Project to help students with expert tutors for real-time online instructions; \$100,000 to the Simon Wiesenthal Center's Los Angeles Museum for Tolerance for the Tools for Tolerance for Educators program to provide teacher training in diversity, tolerance and cooperation; and \$100,000 to the Zimmer Children's Museum in Los Angeles to expand the youTHink education program.

DEPARTMENT OF TRANSPORTATION

The agreement provides \$58.9 billion to fund the Department of Transportation for Fiscal Year 2004. (*Note that every account listed is subject to a 0.59 percent across-the-board reduction. The cut was to be applied to contract authority -- a rubric widely used in transportation accounts -- as well as to appropriations.*)

Transportation, Planning, Research and Development

The report provides \$20,864,000 in planning, research and development grants, setting aside \$500,000 to fund the San Francisco Muni Alternative Fuels New Technology Consortium.

Federal Aviation Administration

The Federal Aviation Administration (FAA) is responsible for the safety and development of civil aviation and the evolution of a national system of airports. The Transportation appropriations conference bill makes a combined appropriation of \$13,970,587,000 for FAA operations, facilities, grants and research and other activities; representing \$470 million more than previously enacted in FY2003. FAA funding is broken down as follows: \$7.5 billion for Operations, \$2.9 billion for Facilities and Equipment, \$119.4 million for Research, Engineering and Development, and \$3.4 billion for Grants in Aid for Airports.

Terminal Air Traffic Control Facilities Replacement Program

\$158,245,000 is appropriated for the replacement of outdated air traffic control towers of which Oakland and Mathis airports in California are tagged to receive \$21,636,600 and \$4.3 million respectively. This is an identical amount to that included in the House report.

Instrument Landing System Establishment

Out of \$48.6 million for the installment of instrument landing systems at airports, Bishop airport in California is tagged to receive \$800,000.

Transponder Landing System

\$6.3 million is attached to TLS for navigation and landing projects, though no California earmarks are included.

Grants in Aid for Airports: San Diego Airport

Conferees expressed continued concern over the San Diego County Regional Airport Authority's capacity to select Air Transportation Action Plan sites (ATAP) for review. Conference language points out the authority's inappropriate selection of military sites unavailable for civilian use as a particular concern.

Airport Discretionary Grants: High Priority Projects

The conference agreement identifies a number of California earmarks included under the discretionary grants section:

Lampson Airport, Wastewater Collection System - \$750,000
 Meadows Field, Apron, taxiway improvements - \$5,000,000
 Redlands Municipal, Sec. Enhancements, lighting, cameras, sensors - \$200,000
 San Bernardino Intl., Runway Improvements - \$500,000
 So. Cal. Logistics Airport, Engine Runway Infrastructure Improvements - \$1,000,000
 Stockton Airport, Air Cargo Center - \$500,000
 Twentynine Palms Airport, Runway Parking Skirt Renovation - \$500,000
 Yucca Valley AP District, Floor Control Protection on North Runway - \$400,000

Federal Highway Administration

Federal-Aid Highways

The Transportation Equity Act for the 21st Century (TEA-21) expired on September 30, 2003. Since Congress has yet to renew authorization language, the Senate bill assumed the account structure and funding level progression contained in the final year of TEA-21. TEA-21 aligned highway spending with highway trust fund

receipts. The Conference report includes Senate funding levels limiting fiscal year 2004 federal-aid highways obligations to \$33,843,000,000, \$438 million above the 2004 House figure. This obligation limitation level is \$4,549,052,000 more than the President's budget request and \$2 billion higher than FY2003 enacted levels (The Senate appropriations Committee estimated California's total obligation limitation share of FY 2004 formula programs to be \$2,883,896,599).

I-80 Narrows Project

The Conferees included \$2 million for rehabilitation and reconstruction of a portion of Placer County interstate highway connecting California to Nevada. The project is expected to improve safety and reduce congestion.

Surface Transportation Research

Under \$103 million allocation for highway research and development, the Conference agreement provides \$16 million for Environmental Planning and Real Estate research projects of which the FHWA is encouraged to assign \$250,000 for the Sacramento Region Blueprint, and \$250,000 for the Central California Ozone Study. Of \$9 million provided for policy research, FHWA is encouraged to provide \$300,000 to the City College of San Francisco Transportation Academy.

Intelligent Transportation Systems

\$232 million is recommended by the Conferees to fund Intelligent Transportation Systems (ITS) activities. Of funds for ITS deployment projects, a number of California earmarks are included:

- Alameda Corridor-East Gateway to America Project Phase 2 - \$1.2 million
- Bay County Area-Wide Traffic Signal System - \$750,000
- Carson Passenger Information System \$300,000
- Corona City-wide Automated Traffic Management System - \$1,000,000
- Elk Grove Traffic Operations Center \$960,000
- Harbor Blvd. Intelligent Transportation \$800,000
- City of Santa Rosa ITS - \$300,000
- Inglewood ITS Deployment Project - \$500,000
- Los Angeles MTA Regional Universal Fare System - \$500,000
- Sacramento Area Council of Governments- ITS project - \$1,175,000
- San Diego Joint Transportation Operations Center - \$400,000
- Ventura County ITS - \$1,000,000

Interstate Maintenance (IM) Discretionary Funds

This program finances projects to restore, resurface, rehabilitate and reconstruct the 46,567 miles of road that make up the interstate system. A number of California related projects would receive specific earmarks under the Omnibus's IM discretionary disbursements:

- I-5/Ortega Highway Interchange Construction - \$800,000
- I-10 Cypress Avenue Overcrossing - \$800,000
- Laval Road Interchange Upgrades at I-5 - \$800,000
- Rancho Cucamonga I-15 & Baseline Road Interchange - \$800,000

Federal Lands Highways

This program provides funds for roads on public lands under four major categories—Indian reservation roads, parkways and park roads, public lands highways (which incorporates the previous forest highways category), and Federally-owned public roads providing access to or within the National Wildlife Refuge System.

The following California earmarks are included in the Omnibus Conference report:

- Access Roads to Beale Air Force Base - \$750,000
- Atwater Federal Penitentiary Access Road - \$1,000,000
- Calaveras Wagon Trail Expressway Realignment - \$350,000
- Hansen Dam Recreation Area Parking Enhancements, Pacoima - \$325,000
- Highway 62 Traffic and Ped. Safety Improvements, Yucca Valley - \$500,000
- Marin Parklands/ Muir Woods Visitor Access - \$1,100,000
- Mill Creek Road, Mendocino County - \$400,000
- Needles Highway realignment and Safety Improvements - \$3,000,000
- Phase 2 South Palm Cyn Realignment and Ancillary Access Imp. - \$300,000
- Presidio Trails and Bikeways, Gol. Gate National Rec. Area - \$1,000,000
- Summit Valley Road Project, San Bernardino - \$500,000

Ferry Boats and Ferry Terminals Facilities

San Francisco's Oyster Point Ferry project is slated to receive \$1 million under the Conference agreement.

National Corridor Planning and Border Infrastructure Programs

This program provides funds to facilitate the safe movement of goods and people across national borders by channeling funds to corridors of national significance. The following California earmarks are included in the Conference Report:

Alameda Corridor-E. Gateway to America Project Phase II, Los Angeles - \$2,000,000
 Arch-Sperry Road Improvements - \$250,000
 Auburn Ravine Bridge, City of Lincoln - \$250,000
 State Route 75 (Coronado) Tunnel Project Report and Environmental Doc. - \$500,000
 Elk Grove Sheldon 99 Interchange - \$300,000
 Highway 101 Implementation - \$600,000
 I-5 Interregional Arterials Improvement Project \$700,000
 I-5 Riverfront Reconnection - \$500,000
 North Coast Interstate 5, La Jolla Village Drive and Vandegrift Blvd. - \$500,000
 Rancho Road Cajon Branchline Grade Separation - \$500,000

Transportation and Community and System Preservation Program

Route 152 in Santa Clara County is designated to receive \$250,000 for safety improvements from funds set aside for this program.

Bridge Discretionary Program

Of the funds provided for the bridge discretionary program in fiscal year 2004 the Conference report recommends the following California earmarks:

Greenspot Bridge, Highland - \$500,000
 Golden Gate Bridge Seismic Retrofit program - \$4,500,000
 I-710 Corridor/ Gerald Desmond Bridge Gateway Program - \$800,000
 Vernon Atlantic Blvd. Bridge Expansion Project - \$400,000

FHWA General Provisions

Section 115 of the Conference agreement includes funds for these additional California surface transportation projects:

Boulder Avenue Bridge Project, Highland - \$1 million
 Cal Train, Train Tracking Information System - \$500,000
 City of Covina Metrolink Pedestrian Bridge - \$500,000
 Dagget Road, Port of Stockton, - \$100,000
 East Bay Incident & Emergency Management System - \$200,000
 Fairfield Vacaville Intermodal Transit System - \$800,000
 I-215 and Barton Road Interchange, Grand Terrace - \$500,000
 Interstate 10 Tippecanoe Interchange - \$3 million
 I-15 Managed Lanes - \$1 million
 La Mesa-Nisqualli Road/I-15 Interchange Project (San Diego) - \$250,000
 Lincoln Boulevard Improvement Project - \$1 million
 Lincoln Bypass/SR 65 Ferrari Interchange Construction - \$2 million
 Lone Tree Way Undercrossing of Union Pac. RR, Brentwood - \$250,000
 Los Angeles City College, Red Line Pedestrian Connector - \$800,000
 Monterey Bay Sanctuary Scenic Trail - \$400,000
 Monticello/ White County 6th Street West Shaffer Drive - \$800,000
 Municipal Transit Operators Coalition, California - \$1 million
 Otay Mesa/ State Route 905 - \$3 million
 Phase 2 So. Palm Cyn Realignment & Ancillary Access Improvements - \$1 million
 Regional Expansion of City CarShare pilot program (San Francisco Bay Area) - \$500,000
 Rosemead Blvd. HW 19 Rehab-- No. to So. City Limits, Pico Rivera - \$300,000
 Rural Road Safety Enhancement Program, Monterey County - \$500,000
 San Francisco Muni Third Street Project - \$2,500,000
 San Francisco Muni Transportation Communications System - \$1,500,000
 Santa Clarita Cross Valley Connector - \$3 million
 Santa Monica College 11th Street Parking Structure - \$1 million
 Sierra College Blvd. I-80 Interchange - \$1 million
 South La Brea Avenue and Imperial Highway Realignment Project - \$500,000
 SR56/I-5 Northbound Widening - \$1 million
 Town Center Old Town Enhancement Project- City of Yorba Linda - \$3,100,000
 Transportation Improvement Project, Desert Hot Springs - \$1,925,000
 US 101 Bikeway System - \$250,000
 US 50 Phase 1 highway and Water Quality Improvement Project - \$2,000,000
 Vallejo Station Intermodal Center - \$1,250,000

Section 125

The conference agreement includes language allowing specified costs associated with a project in San Diego, California to be eligible for Federal funding.

Federal Motor Carrier Safety Administration

This program focuses on improving the safety of commercial vehicle operations in the nation's highways. Safety regulations and other activities are enforced to reduce the number of injuries and fatalities due to truck accidents. The Senate recommends \$176,070,000 for FMCSA programs.

Border Enforcement Program

According to the Senate Committee Report, in February 2001, the Administration announced it would fully comply with NAFTA obligations regarding truck and bus access. Concerns regarding safety compliance and monitoring of Mexican domiciled commercial vehicles were resolved in section 350 of the Transportation and Related Agencies Appropriations Act, 2002 (P.L. 107-87). The Administration has completed all requirements under section 350 and has implemented a regime of regulations to ensure the safety of Mexican trucks operating within the U.S. However, on January 18, 2003, the 9th U.S. Circuit Court of Appeals blocked Mexican trucks from gaining wider access to U.S. highways citing that DOT did not prepare a full environmental impact statement and a Clean Air Act conformity determination. The Conference agreement sustains a Senate Committee directive to establish a FMCSA process to effectively enforce and monitor Mexican motor carriers and report these activities to House and Senate Appropriations Committees.

In the Conference agreement, total funding for motor carrier safety border related activities is set at the Senate level of \$121,908,000, an increase of over \$7 million from FY2003. The Senate Committee budgets \$47 million for Southern border operations grants.

National Highway Traffic Safety Administration

The Senate report recommends \$456.2 million for the NHTSA, the federal agency tasked with overseeing and conducting research on highway safety on roads and in vehicles. This sum is roughly \$14 million less than the FY'03 enacted level.

Federal Railroad Administration

The Senate bill provides \$1.56 billion for the operations and administration of the FRA which is responsible for railroad industry practices and management, as well as high-speed transit and Amtrak.

Next Generation High-Speed Rail

The Conference bill provides \$37,400,000 for the development, demonstration, and implementation of high-speed rail technologies. Under funding for Magnetic Levitation Transportation, the 2004 Omnibus report provides \$1 million each to the Southern California Maglev and the California-Nevada Interstate Maglev projects. Conferees specifically state that they want California high-speed corridor funds to supplement not supplant state investments.

National Railroad Passenger Corporation (AMTRAK)

Amtrak, the nation's major passenger rail service has lost money in every year of its operation since 1971. It escaped bankruptcy last year although it continues to service a growing debt burden. It's FY03 enacted funding level amounted to \$1,043,175,000. The Conference Committee recommends \$1.225 billion in grants to Amtrak to maintain operations, subject to the completion of pending authorization language.

Conference report language authorizes the Secretary of Transportation to take a stronger role in budget and management oversight responsibilities. Conferees direct the Surface Transportation Board to reserve a sum of \$60 million in order to continue commuter rail service lines in the event of an Amtrak shutdown (these funds will become available to Amtrak in the fourth quarter of the fiscal year so long as ceased operation threats do not persist). Amtrak is also instructed to present a comprehensive annual business plan to the Secretary and House and Senate appropriations and authorization committees, approved by its Board of Directors, as well as the continuation of monthly supplemental reports to the Secretary and House and Senate Appropriations Committees.

State Assisted Intercity Rail

The Conference Report directs the Secretary to develop and evaluate a fair competitive bidding system by January, 2004 to assist states with introducing rail service provider competition and to examine the impact of such action on prices and ridership quality. The Secretary is granted authority to reprogram \$2.5 million in Amtrak grants to fund these activities.

Federal Transit Administration

In the absence of TEA-21 reauthorization language, House and Senate appropriations reports proposed continuation of the program structures governing bus and rail transit without tampering with programmatic priorities and modifications ascribed to an as yet unfinished reauthorization bill. The Omnibus bill allocates \$7.305 billion for FTA programs and administrative expenses, \$126 million higher than the FY03 enacted budget and \$79 million more than the President's request.

Formula Program

The Omnibus bill anticipates expenditures of \$3,839,000,000 in transit formula grant funds, the exact same appropriation as outlined in House and Senate reports, though \$1.78 billion less than the recommended amount in the President's budget. Formula program funds are subdivided into four core categorical programs. According to this year's Senate appropriations report, California's transit formula apportionment would be as follows:

- Urbanized area (Section 5307) -- \$586,497,810
- Nonurbanized area (Section 5311) -- \$10,288,103
- Elderly and persons with disabilities - - \$9,488,916

- Clean Fuels (Designated recipients only)

- Total formula programs - - \$606,274,829

Transit Planning and Research

Out of an appropriated \$126 million, the Conference report specifies \$2.125 million for the CALSTART/West Start Bus Rapid Transit: Clean Mobility and Bus Rapid Transit Enhancements project.

Capital Investment Grants

The Conference agreement provides \$3,137,500,000 for the three major transit capital programs: Fixed Guideway Modernization (\$1,206,506,000); New Fixed Guideway Systems (\$1,323,794,000); and Bus and Bus Facilities (\$607,200,000).

Bus and Bus Facilities

The Conference Committee recommendation of \$607,200,000 for bus and bus facilities funding matches the Senate's appropriated level. These funds may be used to replace, rehabilitate, and purchase buses and related equipment and to construct bus-related facilities. The Conference report recommends that discretionary bus and bus facilities funds be distributed to the following California projects (The 2004 House report approved earmarks for 59 California projects under this section):

AC Transit Expansion Buses - \$1,000,000
 Access Enhancements, Sierra Madre Villa Gold Line Station - \$600,000
 Alameda Point Areil Transit Project - \$500,000
 Anaheim Resort Transit - \$500,000
 Antelope Valley Transit Operations and Maintenance Facility - \$1,250,000
 Baldwin Park Downtown Metrolink Parking Improvements - \$250,000
 Burbank Empire Area Transit Center - \$750,000
 Calexico Transit System - \$300,000
 Cerone Operating Complex Improvements - \$500,000
 Cerritos Circulator Buses - \$300,000
 Claremont Intermodal Transit Village Expansion Project - \$1,250,000
 Collegian Busway Improvements - \$200,000
 Corona Transit Center - \$700,000
 Davis Intermodal Facility - \$200,000
 Eastern Contra Costa County Park and Ride Lots - \$600,000
 Ed Roberts Campus Transit Center - \$400,000
 El Garces Intermodal Station, Needles - \$1,900,000
 Escondido Bus Maintenance Facility - \$500,000
 Eureka Intermodal Depot - \$250,000
 Foothill Transit Oriented Neighborhood Program - \$2,500,000
 Fresno FAX Buses and Equipment - \$1,200,000
 Golden Empire Transit Traffic Signal Priority - \$250,000
 Hemet Transit Center/ Bus Facility - \$312,000
 I-15 Managed Lanes BRT Capital Purchase - \$1,000,000
 Longbeach Transit - Buses and Bus Facilities - \$1,000,000
 Los Angeles County Circulator Buses - \$400,000
 Los Angeles MTA Bus - \$4,000,000
 Mammoth Lakes Bus Purchase - \$800,000
 Modesto Bus Facility - \$1,000,000
 Monterey-Salinas Transit (MST) Transit Buses - \$1,500,000
 OmniTrans Paratransit Vehicles - \$300,000
 Orange County Transit Center - \$325,000
 Orange County Bus Rapid Transit - \$2,250,000
 Orange County Fare Collection System - \$1,000,000
 Orange County, Inter-County Express Bus Service - \$1,100,000
 Palm Intermodal Facility Parking lot Expansion - \$300,000
 Palo Alto Intermodal Transit Center - \$750,000
 Redondo Beach Catalina Transit Terminal - \$800,000
 Reseda Blvd. Bus Rapid Transit Project Capital Improvement - \$250,000
 Riverside Transit Authority: Auto Traveler Information System - \$75,000
 Riverside Transit Agency: Bus Rapid Transit Investment - \$500,000
 Riverside Transit Center: Transit Center - \$1,000,000
 Roseville Multitransit Center - \$500,000
 Sac. Bus Exp., Enhancement and Coordination Prog., Auburn - \$100,000
 Sac. Bus Exp., Enhancement and Coordination Prog., Lincoln - \$500,000
 Sacramento Regional Transit, Bus Maintenance Facility - \$500,000

San Fernando Local Transit System - \$300,000
 San Francisco Municipal bus and bus facilities, - \$4,000,000
 San Mateo County Transit District zero-Emission Buses - \$900,000
 San Joaquin: RTD Wilson Way Bus Facility - \$250,000
 Santa Barbara Metro Transit, Electric Bus Investment - \$300,000
 Santa Clara VTA, Zero-emission Buses - \$300,000
 Sonoma County Transit CNG Buses - \$500,000
 South San Fernando Valley Park & Ride Facility Expansion - \$300,000
 Spring Valley Multi Modal Center - \$600,000
 SunLine Transit Clean Fuels Facility & Hydro Infrastructure Exp. \$1,000,000
 Temecula Transit Center - \$800,000
 Transit First Implementation, Chula Vista - \$400,000
 Truckee Replacement Buses - \$75,000
 Ventura County CNG Fuel Station and New Facility Pavement - \$400,000
 Visalia, Bus Operations and Maintenance Facility - \$1,000,000
San Dieguito Transportation Cooperative,—

The Committee directs that amounts to be distributed under this heading for fiscal year 2002 to the San Dieguito Transportation Cooperative, California, instead be distributed to the North County Transit District for initial design and planning for construction of a new intermodal center.

Hollister-Gilroy Caltrain Extension Project,—

The Committee directs that amounts to be distributed under this heading for fiscal year 2001 to the Hollister-Gilroy Caltrain Extension Project, California, instead be distributed to the Caltrain San Francisco- San Jose-Gilroy service to Pajoar, Castroville and Salinas in Monterey County, California.

California Community Medical Centers,—

Funds made available for the Community Medical Centers Intermodal facility in Fresno, California, shall be made available for the City of Fresno for the same project. The availability of such funds for obligation shall be extended through fiscal year 2004.

Section 5309 Fixed Guideway Modernization

The Omnibus Conference agreement recommends a total of \$1,206,906,000 for the modernization of existing rail transit systems. Under TEA21, all such funds are distributed to states by formula.

Transit New Starts

The bill provides \$1,323,794,000 for New Starts. 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 Conference bill specifies the following amounts for these California based projects:

San Francisco, SFO BART extension project - \$100,000,000
 Los Angeles to Pasadena, Metro Gold Line LRT System - \$5,000,000
 San Diego, Mission Valley East Line Extension project - \$65,000,000
 San Diego Oceanside-Escondido Light Rail Project, - \$48,000,000
 San Francisco Muni Third Street LRT - \$9,000,000
 San Jose-Silicon Valley Rapid Transit Corridor - \$2,000,000

Job Access and Reverse Commute Grants

As proposed by the Senate, the Conference Committee recommends \$125 million for the Job Access and Reverse Commute Grants program. 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.

The program makes competitive grants to qualifying metropolitan planning organizations, local governmental authorities, agencies, and nonprofit organizations. The Committee recommends the following allocations of California job access and reverse commute grant program funds in fiscal year 2002:

AC Transit CalWorks Recipients - \$1,499,000
 Guaranteed Ride Home, Santa Clarita - \$400,000
 Mendocino Transit Authority, JARC - \$100,000
 Metro Link San Bernardino Platform Extension - \$1,000,000
 SACOG Sacramento Region JARC - \$1,500,000
 Ways to Work - \$1,000,000

General Provisions

Section 167 reallocates \$400,000 for the replacement, rehabilitation, or purchase of buses or related equipment, or the construction of bus related facilities in Yosemite.

Section 168 authorizes the Secretary of Transportation to shift all non-New Starts share contributions for Phase 1 of the San Francisco Muni Third Street Rail Transit Project to be used to meet the non-New Starts share

requirement of any phase or element of the project and prohibits the obligation of funds if the project is still rated as “not recommended” after funding shifts and calculations are assessed.

TREASURY DEPARTMENT

The Conference agreement appropriates \$11.2 billion to fund the Treasury Department’s programs and activities of which \$10.2 billion is assigned to the Internal Revenue Service (IRS). *(Note that every account listed is subject to a 0.59 percent across-the-board reduction.)*

Conferees recommend \$80 million to fund the Alcohol and Tobacco, Tax and Trade Bureau, a figure introduced by both House and Senate reports. \$762 million is provided for the Executive Office of the President while \$500 million is awarded to the Election Assistance Administration that is charged with implementing campaign and finance reform measures.

Independent Agencies

\$65.5 million is provided in the Omnibus bill to fund the operations of the United States Postal Service.

General Services Administration

The General Services Administration is charged with helping federal agencies better serve the public by offering, at best value, superior workplaces, expert solutions, acquisition services and management policies. The Conference agreement provides \$6.76 billion in obligation authority for GSA activities. Within the \$708 million destined for construction projects, the agreement designates \$34,211,000 to fund border stations projects in San Diego. An additional \$50 million is set aside to provide construction funds for courthouses in Los Angeles.

General Provisions

Section 411

Language is included facilitating completion of a land conveyance in San Joaquin County.

Section 640

Conferees agree to a 4.1 percent pay hike in the salaries of federal employees to take effect in FY 2004.

Small Business Administration

Disaster Loans Program Account

The conference agreement includes \$170,551,000 for the Disaster Loans Program Account for loan subsidies and associated administrative expenses instead of \$190,250,000 as provided by the House and Senate. The conference agreement includes new budget authority of \$56,188,000 for the subsidy costs of disaster loans and \$114,363,000 for administrative expenses associated with carrying out the program.

The conference agreement “provides for a total of \$89,109,000 for disaster loans of which \$56,188,000 is in new appropriations and \$32,921,000 in prior year carryover balances, including \$15,032,000 made available through Section 628 of this Act. This fully funds the Administration’s requested disaster loans program level of \$760,316,000. The conferees understand that at this time the Administration believes that the costs associated with Hurricane Isabel and the fires in California can be funded within the requested disaster loan program level.”

ENVIRONMENTAL PROTECTION AGENCY

The conference agreement includes \$8,411,469,000 for programs administered by the Environmental Protection Agency. This is an increase of \$332,765,000 over the level provided in fiscal year 2003. *(Note that every account listed is subject to a 0.59 percent across-the-board reduction.)*

Science and Technology

Appropriates \$786,324,000 for science and technology instead of \$759,815,000 as proposed by the House and \$715,579,000 as proposed by the Senate. The conference agreement includes language which allows the EPA Administrator to certify a grant in a prior year Appropriations Act to San Bernardino, California.

Within the funds appropriated, the following allocations are made:

- \$500,000 to the University of California, Riverside for development of vehicle emissions measurement technology and improved models for assessing the effectiveness of new technologies and control strategies at the College of Engineering—Center for Environmental Research and Technology (CE–CERT) facility;
- \$1,500,000 to California State University, Fresno for the International Center for Water Technology; and
- \$100,000 to California State University, Fullerton to enhance ongoing research related to water hazard mitigation.

Environmental Programs and Management

The Omnibus Conference Report appropriates \$2,293,578,000 for environmental programs and management instead of \$2,193,102,000 as proposed by the House and \$2,219,659,000 as proposed by the Senate.

Within the funding provided, the conferees agree to the following increases to the budget request:

- \$500,000 for the Central California Ozone Study;
- \$200,000 to the San Joaquin Valley Air Pollution Control District, California for its Operation Clean Air public education program;

- \$300,000 to the Golden Gate National Parks Conservancy, California and National Park Service for shoreline and habitat restoration; and
- \$750,000 to the Santa Clara Valley Water District in California for groundwater remediation.

State and Tribal Assistance Grants

The conferees have provided \$325,000,000 for a targeted program making grants to communities for the construction of drinking water, wastewater and storm water infrastructure and for water quality protection. The Conference Report states: "As in past years, these grants shall be accompanied by a cost-share requirement whereby 45 percent of a project's cost is the responsibility of the community or entity receiving the grant. In those few cases where such cost-share requirement poses a particular financial burden on the recipient community or entity, the conferees support the Agency's use of its longstanding guidance for financial capability assessments to determine reductions or waivers from this match requirement.

From the funds provided, the following distributions are made:

- \$100,000 to the City of Chino Hills, California for a needs assessment study for 39 improvements to the Los Serranos stormwater drainage system;
- \$110,000 to the City of East Palo Alto, California for the East Palo Alto Master Water Plan including water, wastewater and stormwater infrastructure improvements;
- \$475,000 to the City of Brisbane, California for water and wastewater infrastructure improvements;
- \$200,000 to the City of Colton, California for stormwater infrastructure improvements as part of the Comprehensive 3-5 Storm Drain Plan;
- \$200,000 to the Los Osos Community Services District, California for wastewater infrastructure improvements;
- \$200,000 to the City of Modesto, California for the Ninth Street Corridor Storm Drain project;
- \$200,000 to the City of Norwalk, California for the Norwalk Reservoir Project;
- \$200,000 to the City of Cudahy, California for wastewater infrastructure improvements;
- \$200,000 to the City of Bell, California for wastewater infrastructure improvements;
- \$200,000 to Marin County, California for the Tomales Bay Wastewater Treatment Facility;
- \$250,000 to the City of Long Beach, California for stormwater infrastructure improvements;
- \$450,000 to the City of Westminster, California for a water quality improvement pilot project;
- \$250,000 to the City of Fort Bragg, California for wastewater infrastructure improvements;
- \$250,000 for the City of Gardena, California for wastewater and stormwater infrastructure improvements;
- \$500,000 to the City of Santa Ana, California for the West Pump Station Facility Upgrade project;
- \$300,000 to the City of Murrieta, California for wastewater infrastructure improvements;
- \$300,000 to the City of El Segundo, California for sanitary sewer overflow infrastructure improvements;
- \$300,000 to the City of Santa Monica, California for water infrastructure improvements;
- \$350,000 to the Monterey County Water Resource Agency in California for planning and design of the Salinas Valley Water Project;
- \$350,000 to the City of Roseville, California for water infrastructure improvements;
- \$350,000 to the City of Vallejo, California for infrastructure improvements for the Mare Island Sanitary Sewer and Storm Drain System;
- \$475,000 to the City of Huntington Beach, California for the Alabama Storm Drain project;
- \$400,000 to the Irvine Ranch Water District, California for the San Diego Creek Watershed Natural Treatment System;
- \$400,000 to the County of Ventura, California for implementation of the Calleguas Creek Watershed Management Plan;
- \$400,000 to the United Water Conservation District, California for the River Park Reclamation and Recharge Authority Groundwater Project;
- \$400,000 to the City of Redding, California for water and wastewater infrastructure improvements for the Stillwater Business Park;
- \$400,000 to the City of Victorville, California for water and wastewater infrastructure improvements;
- \$400,000 to the City of Whittier, California for water and wastewater infrastructure improvements;
- \$400,000 to the City of Folsom, California for wastewater infrastructure improvements;
- \$400,000 to the City of Lodi, California for wastewater infrastructure improvements;
- \$500,000 to the City of Fresno, California for a water conveyance project;
- \$650,000 to Placer County, California for wastewater infrastructure improvements;
- \$750,000 to the San Diego Water Authority, California for a water desalination program;
- \$800,000 to the Olivenhain Municipal Water District in Encinitas, California for water infrastructure improvements;
- \$800,000 to the City of Sacramento, California for the Sacramento Combined Sewer System Improvement and Rehabilitation Project;
- \$800,000 to the Castaic Lake Water Agency, California for wastewater infrastructure improvements;
- \$1,100,000 to the Mojave Water Agency, California for the Mojave Desert Arsenic Demonstration project;

- \$1,650,000 to the Cities of Arcadia and Sierra Madre, California for water infrastructure improvements;
- \$1,000,000 for the Orange County Sanitation District, California for a wastewater treatment program;
- \$500,000 to the Mission Springs, California Water District for water infrastructure improvements;
- \$500,000 to the City of San Bernardino, California for the Lakes and Streams project;
- \$1,000,000 for the Santa Clara Valley Water District, California for perchlorate groundwater clean-up;
- \$500,000 for the City of Ukiah, California for wastewater infrastructure improvements;
- \$500,000 for the West Valley Water District, California for the Inland Empire Perchlorate Force Wellhead Treatment;
- \$500,000 for Madera County, California for wastewater infrastructure improvements; and
- \$200,000 for Ventura County, California for sewer infrastructure improvements.

DEPARTMENT OF VETERAN AFFAIRS

The conference report appropriates \$29.845 billion to fund pensions and compensations, slightly more than the \$29 billion appropriation made last year. *(Note that every account listed is subject to a 0.59 percent across-the-board reduction.)*

Veterans Health Administration

The bill provides \$17.867 billion plus reimbursements for the purpose of furnishing inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs, which includes \$400 million in discretionary funding for major construction projects to implement Capital Asset Realignment for Enhanced Services (CARES) that will improve access and quality of veteran's health care needs. The agreement also appropriates \$273 million for major construction projects, including \$181 million for CARES activities, and \$252 million for minor construction projects, with \$40 million set aside for CARES activities. To fund grants to states for construction of state extended care facilities and for the construction of state veterans cemeteries, the bill provides \$102.1 million and \$32 million respectively. The bill includes legislative language rescinding \$270 million of the unobligated balances remaining from prior year recoveries for medical care.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

(Note that every account listed is subject to a 0.59 percent across-the-board reduction.)

Housing Certificate Fund

For the public housing account's Housing Certificate Fund, which funds Section 8 renewals and tenant protections, the conference report provides \$19.4 billion, an increase of \$2.2 billion from the FY 2003 level. The total includes:

- \$17.6 billion to fund expiring or terminating section 8 project-based subsidy contracts, which includes funding for section 8 moderate rehabilitation contracts
- \$136.8 million in discretionary funding for amendments to section 8 tenant-based annual contributions contracts
- \$206.5 million for section 8 rental assistance for relocation and replacement of housing units that are demolished or disposed of
 - \$48 million for family self-sufficiency coordinators

The bill includes \$50 million in discretionary funding for distribution to public housing agencies that need additional funds to administer their section 8 programs. The report contains legislative language rescinding \$2.8 billion from unobligated balances remaining from funds appropriated to HUD last year to fund annual contributions for assisted housing.

Public Housing Capital Fund

The conference report appropriates \$2.7 billion in funding for the Public Housing Capital Fund Program to carry out capital and management activities for public housing agencies, including \$40 million in discretionary funding to make grants to public housing agencies for emergency capital needs resulting from emergencies and natural disasters in FY 2004.

Public Housing Operating Fund

For the Public Housing Operating Fund, the agreement appropriates \$3.6 billion, which is essentially the same amount as was provided in the FY03 conference report.

Revitalization of Severely Distressed Public Housing (Hope VI)

\$150 million is appropriated to fund grants to public housing agencies for demolition, site revitalization, replacement housing, and tenant-based assistance grants. Last year's appropriation for Hope VI was \$574 million.

Community Planning and Development: Housing Opportunities for Persons with AIDS (HOPWA)

The report appropriates \$296.5 million for housing opportunities for persons with AIDS (HOPWA), a \$4.5 million increase from the FY 2003 appropriation of \$292 million. This program provides States and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with HIV/AIDS and their families.

Rural Housing and Economic Development

The bill provides \$25 million to support innovative housing and economic development activities in rural areas by Indian tribes, state housing finance agencies, state community and/or economic development agencies, local rural nonprofits and community development corporations.

Empowerment Zones/Enterprise Communities

The conference report appropriates \$15 million for grants in connection with a second round of empowerment zones and enterprise communities, which includes \$1 million for each empowerment zone for use in conjunction with economic development activities consistent with the strategic plan of each empowerment zone. The FY03 conference report included a \$30 million appropriation for such grants.

Community Development Fund

Congress appropriated \$4.950 billion for total community development activities, which is slightly higher than the \$4.937 billion amount that was appropriated in FY03. The total includes \$4.357 billion in funding for formula grants under the Community Development Block Grant program (CDBG), and \$5,000,000 for the National Council of La Raza HOPE Fund, of which \$500,000 is for technical assistance and fund management and \$4,500,000 is for investments in the HOPE Fund and financing to affiliated organizations. In recent years, California has received as much as 16% of formula grant funding from the CDBG program, and \$278 million to fund grants for the Economic Development Initiative (EDI) in order to finance a variety of targeted economic investments including disbursements to the following California projects:

- \$75,000, East Valley YMCA in North Hollywood for facilities renovation;
- \$75,000 to the Valley Family Center in the San Fernando Valley for facilities construction;
- \$75,000 to the Boys and Girls Club of San Fernando Valley for facilities renovation;
- \$75,000, Boys and Girls Club of Greater Oxnard and Port Hueneme for structural facility improvements;
- \$75,000, City of Oxnard, design and construction of an addition to the public library;
- \$75,000, Daguhoy Lodge in Stockton, facility restoration;
- \$75,000, City of Long Beach, renovation of the Museum of Latin American Art;
- \$75,000, City of Alhambra, renovation of recreational facilities;
- \$75,000, City of Covina, renovation of homeless facility;
- \$75,000, City of West Covina, construction of a regional community center;
- \$75,000, East San Gabriel Valley Japanese Community Center, construction of a social hall;
- \$90,000, City of Fontana, acquisition and construction needs at Jack Bulik Park;
- \$100,000, City of Simi Valley, buildout and upgrades for Simi Valley Senior Citizens Center;
- \$100,000 to North County Solutions for Change for the Futures for Families project to construct regional transitional housing in San Diego;
- \$100,000, Search to Involve Filipino Americans in Los Angeles, facilities renovation at the Royal Morales Filipino American Community and Cultural Center;
- \$100,000, Valley Economic Development Center, Inc., Los Angeles, building renovation as part of the Highland Park Commercial Revitalization project;
- \$100,000, Santa Clara University in planning and design for construction of 'Info. Commons';
- \$100,000 to the City of Palo Alto, children's library renovations;
- \$100,000 to the City of La Puente, construction to expand the city's youth learning center;
- \$100,000, County of Los Angeles, planning and construction of a cultural and performing arts center at the El Pueblo de Los Angeles State Historic Park;
- \$100,000, City of Huntington Park, development of a downtown redevelopment master plan;
- \$100,000, ONEgeneration SF Valley, construction of an intergenerational daycare center;
- \$100,000 to the City of West Sacramento, construction of the Collins Teen Center;
- \$100,000 to the City of Woodland, parking construction;
- \$125,000 to the City of San Jose, construction of a youth facility;
- \$125,000 to the City of Anaheim, land acquisition to expand the La Palma Park;
- \$150,000 to Food Share, Inc. for facilities expansion and construction for a community kitchen in Ventura County;
- \$150,000, City of Oceanside, construction of a senior citizens center;
- \$150,000 to the City of Lancaster, development of a Regional Youth Baseball Complex;
- \$150,000 to the City of Long Beach, construction of multi-use facilities at the Stearns Park Community Center;
- \$150,000, East Los Angeles YMCA in Los Angeles, facilities renovation;
- \$1,000,000, City of Inglewood, design and construction of a senior center;
- \$150,000, City of Lawndale, design and construction of a library;
- \$175,000, Rio Linda Union School District in North Highlands, construction of the Oakdale Community Center;
- \$175,000 to Goodwill Industries of Sacramento, construction of a community training center;
- \$200,000, San Francisco, facility renovation to house emancipated foster children;
- \$225,000 to the City of Corona, construction of the Corona Community Center;
- \$225,000, Redding, property acquisition and site preparation for the Stillwater Business Park;
- \$225,000 City of Adelanto, construction of a retail shopping center;

\$225,000, City of Lancaster, construction of public recreation facilities, parking facilities and property acquisition for the North Downtown Transit Village Project;
 \$225,000 City of Diamond Bar, construction of a senior center;
 \$225,000, City of Citrus Heights, streetscape improvements along the Auburn Boulevard Commercial Corridor;
 \$225,000, Town of Groveland, purchase of a youth center;
 \$225,000, Mission Preservation Foundation in San Juan Capistrano, Great Stone Church restoration project;
 \$225,000 to Sonoma State University, construction of the Green Music Center;
 \$275,000 to the City of Westminster, construction of a community cultural and education center;
 \$275,000 to Kern County, infrastructure improvements for the Imperial Way Industrial Park;
 \$400,000, Shelter from the Storm, Inc. in Palm Desert, facilities renovations and improvements;
 \$300,000 to the City of Lincoln, design and construction of a Cultural and Business Center;
 \$300,000, City of Santa Monica, renovation of a historic structure for use as a visitors center;
 \$300,000, Vanguard Univ., Costa Mesa, facilities upgrades and equipment for a science center;
 \$325,000, City of Salinas, construction of a swimming pool;
 \$350,000, Palomar YMCA, Escondido, for construction of an aquatics facility;
 \$350,000, International Agri-Center in Tulare, improvements to the Heritage Complex Learning Center and to continued construction of a new exhibit pavilion;
 \$400,000, City of Atascadero, facilities renovation for a Youth Recreation Center;
 \$450,000, City of Monrovia, site preparation, Santa Anita and Sawpit Channels for economic development activities;
 \$450,000 to Los Angeles County, construction of a new library;
 \$450,000 to the City of La Mesa, facilities construction for the La Mesa PARKS Project;
 \$450,000, City of Desert Hot Springs, facilities construction for a civic and community center;
 \$450,000, City of Tracy, construction of the Tracy Youth Sports Facility;
 \$1,000,000, California Academy of Sciences in San Francisco, renovation of its facility;
 \$500,000 to the Town of Apple Valley, California for Phase One of Civic Center Park;
 \$250,000 for the City of San Francisco, Old Mint redevelopment project;
 \$750,000 for the City of San Diego, construction of low income housing;
 \$250,000, City of Orange Cove, the Commercial Redevelopment Project; and
 \$250,000, City of East Palo Alto, build a new town civic center;

Neighborhood Initiatives Program

\$44 million in funding is included in the conference agreement for neighborhood initiatives that are utilized to improve the conditions of distressed and blighted areas and neighborhoods. The following California earmarks are identified:

\$500,000 for the City of Fresno, Roeding Business Park Development project;

Brownfields Redevelopment

The report appropriates \$25 million for brownfields redevelopment, the same level as was appropriated in FY 2003.

HOME Investment Partnerships Program

For the HOME program, the conference report provides a total of \$1.930 billion, slightly above the \$1.925 billion amount appropriated in FY03. California typically receives between 13% and 13.5% of HOME formula funding.

Homeless Assistance Grants

The Homeless Assistance Grants Program funds the Shelter Plus Care, Supportive Housing, Emergency Shelter Grants, and Section 8 Moderate Rehabilitation Single Room Occupancy programs. The conference report appropriates \$1.267 billion for Homeless Assistance Grants. The FY03 funding level for the Homeless Assistance Grants program was \$1.225 billion.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

For operations of the Corporation for National and Community Service, the agreement provides \$553.2 million, including \$314 million for AmeriCorps State and National grants and education award only grants, plus an additional \$130 million for the Trust. *(Note that every account listed is subject to a 0.59 percent across-the-board reduction.)*

In separate language associated with the Labor-HHS-Education section, the conference agreement includes \$356 million for the Domestic Volunteer Service programs, \$94.3 million for Volunteers in Service to America (VISTA), and \$9.9 million for Volunteers in Homeland Security, \$46.3 million for the Senior Companion Program, and \$58.5 million for the Retired Senior Volunteer Program.

CORPORATION FOR PUBLIC BROADCASTING

The conference agreement provides \$400 million in funding for the Corporation for Public Broadcasting, with language stating that funds are to be used for fiscal year 2006. It specifies \$50 million for CBP digital conversion, as well as \$10 million as the first installment of a three-year project to replace the satellite interconnection system.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

For the National Aeronautics and Space Administration (NASA), the 2004 conference agreement provides \$15.5 billion, a nominal increase of \$80 million above the 2003 level. Funds are divided into two components: \$7.5 billion for the space flight capabilities account and \$7.9 billion for the science aeronautics and exploration account (*Note that every account listed is subject to a 0.59 percent across-the-board reduction.*)

Space Flight Capabilities

Within funding for Space flight capabilities (which is less than either the House or Senate had proposed), the report deletes Senate-proposed language that would have specified \$4 billion be provided for activities related to the Space Shuttle and prohibited transfer of any of these funds to other programs, and also deletes Senate language to cap International Space Station costs at \$1.5 billion. It directs that none of the program cuts should be taken from the Space Shuttle program, and it notes that the \$270 million reduction below the President's budget request is intended to come \$200 million as a reduction from the International Space Station request and \$70 million as a reduction from the Space Launch Initiative budget request

In language related to the Orbital Space Plane (OSP) program the report states that NASA "must heed all the findings and recommendations of the International Space Station Management and Cost Evaluation report as well as the CAIB report," and it directs NASA to add additional non-NASA members to the Orbital Space Plane External Program Assessment Team (EPAT). It also expresses the conferees' opinion that NASA should not put the full-scale development of the OSP up for bid "until the interagency space policy review has been completed and NASA has determined that the RFP is consistent with the results of this review."

In other language, the conferees direct NASA to report back within two months regarding several issues, including alternative launch vehicles to keep work on the International Space Station on track, as well as criteria, metrics, outyear costs and the overall viability of the Next Generation Launch Technology program

Space, Aeronautics and Exploration

Within the \$7.9 billion for space, aeronautics and exploration, the conference report makes reductions of \$8 million from the Space Interferometer Mission; \$20 million from Project Prometheus; \$10 million from the Beyond Einstein program; and \$11 million from the Global Climate Change Research Polarimeter program. It provides \$25 million for the National Space Grant College and Fellowship program and \$10 million for the EPSCoR program.

Among various NASA earmarks are: \$300,000 to develop a high temperature nanotechnology research program; \$300,000 for the Biological and Physical Research Rack on the ISS; \$300,000 for the Center for Science and Mathematics at the University of Redlands; \$2.5 million for continued Space Radiation Research at Loma Linda University Medical Center; \$1.5 million for on-going activities in support of NASA Dryden Flight Research Center's Intelligent Flight Control System (IFCS) research project; and \$3 million for the Computing, Information and Communications Technology Program (CICT) at Moffett Field in Sunnyvale for High Information Density Approaches to Mobile Broadband Internet Communications.

The earmark section also includes \$15 million for future aircraft research with a priority on supersonic flight technologies; \$15 million for future aviation systems including a priority on aviation security and air traffic management; and \$15 million for continued development of flight technologies with direct application to military vehicles.

NATIONAL SCIENCE FOUNDATION

The conference agreement increases funding for the National Science Foundation (NSF) by \$300 million over last year's level, bringing 2004 funding to \$5.6 billion. (*Note that every account listed is subject to a 0.59 percent across-the-board reduction.*) Funding includes: \$4.3 billion for research; \$156 million for research equipment; and \$945 million for education and human resources.

Within the research account, Biological Sciences is funded at \$592 million, Computer & Information Science & Engineering at \$610 million, Engineering at \$561 million, Geosciences at \$710 million, Mathematical & Physical Sciences at \$1.1 billion, Social Behavioral & Economic Sciences at \$205 million, Polar Programs at \$345 million, and Integrative Activities at \$145 million.

From the amount for Biological Sciences, \$90 million is for plant genome research on economically significant crops. From the amount for Computer and Information Science and Engineering, up to \$225 million may be used for information technology research and not less than \$20 million may be used for cyberinfrastructure initiatives. From Mathematical and Physical Sciences, \$55.3 million is for the National Radio Astronomy Observatory program, and \$6 million of the Social Behavioral and Economic Sciences funds are to be used for the Children's Research Initiative. The conference agreement includes \$255 million for nanotechnology programs throughout the NSF directorates, an increase of \$34 million over fiscal year 2003.

Within the \$156 million for research equipment, the agreement specifies that \$8.1 million should be used for the George E. Brown, Jr. Network for Earthquake Engineering Simulation; and \$10 million for support of the Terascale Computing System and the Distributed Terascale Facility.

Within \$944.6 million for NSF education, the agreement provides \$140 million for Math & Science Partnership; \$95 million for EPSCoR; \$207 million for Elementary, Secondary & Informal Education; \$163 million for Undergraduate Education; \$157 million for Graduate Education; \$117 million for Human Resources Development; and \$66.2 million for Research, Evaluation & Communication.

GENERAL PROVISIONS

California Wildfires Funding

The Omnibus Conference Report provides \$25,000,000 in addition to amounts previously appropriated for Forest Service, Wildland Fire Management for hazardous fuels reduction, hazard mitigation, and rehabilitation activities of the Forest Service in southern California.

In addition to amounts previously appropriated for Forest Service, State and Private Forestry, \$25 million is provided for hazard mitigation, fuels reduction, and forest health protection and mitigation activities on State and private lands in southern California.

The Conference Report also provides \$150 million in addition to other amounts made available for the Department of Agriculture Emergency Watershed Protection Program to carry out additional activities in response to the recent wildfires in southern California, including the provision of technical and financial assistance to respond to the tree mortality emergency in Los Angeles, Riverside, San Diego and San Bernardino Counties, California.

\$12,500,000 is provided for the tree assistance program in southern California under the Farm Security and Rural Investment Act.

\$12,000,000 is appropriated for the emergency conservation program in southern California under the Agricultural Credit Act of 1978.

\$500,000 in additional appropriations is provided for the livestock indemnity program in southern California under the Commodity Credit Corporation Fund.

The Omnibus Conference Report states that the above amounts are designated by the Congress as an emergency requirement pursuant to the concurrent resolution on the budget for fiscal year 2004.

Other General Provisions

Section 126 states that of the funds provided for the development of the new molecular imaging probes in the statement of managers to accompany the FY04 Energy and Water Development Appropriations (H.R. 2754), \$5,000,000 shall be provided to the University of California, Los Angeles for the continued efforts for PET imaging, systems biology and nanotechnology.

Section 131 provides an additional amount of \$500,000 for the Cedars-Sinai Gene Therapy Research Program under the Science account of the Department of Energy in the Energy and Water Development Appropriations Act, 2004.

Section 167 appropriates in addition to amounts otherwise provided for in fiscal year 2004, \$55,000,000, from which the following is allocated:

\$1,000,000 for the Stockton Metropolitan Flood Control Reimbursement project;

\$1,000,000 for the San Timoteo Creek element of the Santa Ana River Mainstem project under Army Corps of Engineers, Construction, General;

\$500,000, for a grant to Santa Clara University in Santa Clara for technology infrastructure upgrades, campus-wide network infrastructure enhancements and equipment under Department of Education, Higher Education;

\$600,000, for a grant to Shelter from the Storm, Incorporated in Palm Desert for facilities renovations and improvements under Department of Housing and Urban Development, Community Development Fund; and

\$900,000, for the California Hospital Medical Center in Los Angeles for facilities and equipment under the Department of Health and Human Services, Health Resources and Services Administration.

The agreement provides that if \$1 million for disposal of a cyclotron at Lawrence Berkeley National Laboratory is not used because the facility is kept operational, the funds should be used for other surplus property at the lab.

CLOSING NOTES

Again, it is important to note that every account and item listed above is to be subject to a 0.59 percent across-the-board reduction, and that the programs and items funded under the Commerce-Justice-State appropriations bill are also subject to an additional 0.46 percent reduction.

Until both houses of Congress pass and the President signs this or another conference report, the programs funded by this bill are operating under a stopgap continuing resolution (P.L. 198-135) that keeps them operating through January 31, 2004.

For additional information or clarification, contact the California Institute for Federal Policy Research at 202-546-3700, by fax at 202-546-2390, by email at ransdell@calinst.org or on the web at <http://www.calinst.org>.

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