



THE CALIFORNIA INSTITUTE FOR FEDERAL POLICY RESEARCH
419 New Jersey Avenue, SE, Washington, D.C. 20003 202-546-3700
Fax: 202-546-2390 E-mail: randsell@calinst.org Web: <http://www.calinst.org>

SPECIAL REPORT: **VA-HUD-Independent Agencies** **Appropriations Conference Report** **and California Implications --** *January 2002*

H. Rpt. 107-272 is the conference report to accompany the FY 2002 Appropriations for the Departments of Veterans Affairs and Housing & Urban Development, and Independent Agencies. (S. 1216). The House and Senate respectively passed the report by recorded votes of 401-18 and 87-7 on November 8, 2001. By a vote of 94-5 on August 2, 2001, the Senate had passed its version of the initial bill, H.R. 1215, and the House had passed its version on July 30, 2001, by a vote of 336 to 89. Provisions of the prior bills not specifically stricken by the conference report are retained.

The following represents a quick analysis of the bill from a California perspective as prepared by the California Institute. We apologize for any errors or omissions in our discussion of these documents, and would appreciate any input/feedback on how to make improving corrections. The ordering of items generally reflects their presence in the bill and does not mean to imply any relative importance.

This appropriations analysis is available on the California Institute web site at <http://www.calinst.org/pubs/vah02c.htm>. A printable version in Adobe Acrobat ("pdf") format is also available at <http://www.calinst.org/pubs/vah02c.pdf>.

The FY 2002 Appropriations Conference Report for Veterans Affairs, Housing and Urban Development, and Independent Agencies provides \$85.4 billion for the agencies under its purview, an increase from \$80.6 billion in FY 2001 and also above the FY 2002 Administration budget request of \$83.4 billion. When mandatory appropriations are added to the total, the bill provides \$112,742,537 in total funding.

VETERANS AFFAIRS

For the Department of Veterans Affairs, the FY 2002 conference report provides total funding of \$23.1 billion, an increase of \$1 billion over FY 2001 levels.

The bill provides that up to \$20 million of these funds are to be available for shall be for costs associated with land acquisitions for national cemeteries in the vicinity of Sacramento, Pittsburgh, and Detroit.

In report language, the bill states, "The conferees are aware of local concerns regarding the elements of the April 2001 report titled 'Plan for the Development of a 25-Year General Use Plan for Department of Veterans Affairs West Los Angeles Healthcare Center.' The conferees strongly urge the VA to work with the local community when formulating a plan to best use the campus for improving veterans' access to VA-provided services." House language had previously prohibited plan implementation.

HOUSING AND URBAN DEVELOPMENT

The conference report increases funding for the Department of Housing and Urban Development by \$1.8 billion over FY01, bringing FY02 funding to \$30 billion.

Public Housing

For the public housing account's Housing Certificate Fund, which funds Section 8 renewals and tenant protections, the bill provides \$15.6 billion, an increase of \$.7 billion from the FY 2001 level. The total includes \$144 million to fund 26,000 new ("incremental") Section 8 vouchers nationwide, 7,900 of which are to be distributed for disabled housing and 18,000 of which are slated to go immediately to housing authorities with 97% utilization rates. Public Housing Operating Subsidies are funded at \$3.5 billion

Community Planning and Development: Housing Opportunities for Persons with AIDS

The bill appropriates \$277,432,000 for housing opportunities for persons with AIDS (HOPWA) as proposed by the House and the Senate, a \$19 million increase from FY 2001. The report includes Senate language requiring HUD to renew all expiring HOPWA contracts for permanent supportive housing so long as the projects meet all other program requirements. California's share of HOPWA formula funding has declined from 22% of total U.S. spending to 13% recently, as the incidence of AIDS cases has spread across states.

Empowerment Zones/Enterprise Communities

The FY 2002 conference report appropriates \$45,000,000 for grants to the second round of empowerment zones instead of \$75,000,000 as proposed by the Senate, and it includes language designating \$3,000,000 for each empowerment zone to be used in conjunction with economic development activities detailed in the strategic plans of each empowerment zone instead of \$5,000,000 for each zone as proposed by the Senate.

Community Development Fund

Congress appropriated \$5 billion for total community development activities, including \$4.32 billion for formula grants under the Community Development Block Grant program (CDBG). In recent years, California has received as much as 16% of formula grant funding from the CDBG program.

Within \$42,500,000 for section 107 grants, the report provides \$7.5 million for Hispanic Serving Institutions.

The conference report provides \$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 and financing, and \$42,000,000 for the Neighborhood Initiatives program, from which it designates targeted grant spending of \$500,000 for the County of Tulare for development of the Dinuba regional vocational training facility and \$250,000 for the City of Oceanside for the Crown Heights neighborhood revitalization project.

Community Development: Economic Development Initiative Earmarks

A wide array of earmarks are included in the \$294 million provided for economic development initiatives. In California, these include: \$30,000 to the City of Temecula for the Job Skills and Commuter Census; \$30,000 to the Cuban Resource Center in Los Angeles for community center improvements; \$50,000 to Easter Seals Tri-Counties in California for the Easter Seals Child Development Center; \$50,000 to Environment Now in Santa Monica for continued development of the Ballona Creek Trail and Bikeway; \$50,000 to the City of Anaheim for the Senior Citizen Wing Expansion of the Brookhurst Community Center; \$50,000 to the City of La Puente for an addition to the La Puente Youth Learning Center; \$50,000 to the City of Placerville for the rehabilitation and development of the Gold Bug Park, the Meagher House; \$50,000 to the City of Rancho Cucamonga for construction of a senior center; \$50,000 to the County of San Bernardino for the youth baseball/softball field complex at Spring Valley Lake in Victorville; \$50,000 to the County of San Bernardino for the Barstow Wading Pool; \$50,000 to the Mothers of East LA Santa Isabel in Los Angeles, California for improvements to a community garden; \$50,000 to the West Haven Community Center in Garden Grove for construction costs; \$75,000 to the Angelus Plaza Senior Housing Complex in Los Angeles for the acquisition of multi-language translation equipment; \$75,000 to the City of Long Beach for construction of the Admiral Kidd Park Community Center; \$90,000 to the City of Temecula for the Vail Ranch Middle School Basketball Lighting Project; \$100,000 to the Ed Roberts Campus in Berkeley for planning and development of their disability campus; \$100,000 to Marin City for Marin City Cultural and Community Center facility needs;

\$100,000 to the American Film Institute for the establishment of a Screen Education Center for public school teacher training; \$100,000 to the City of Los Angeles for construction needs of the Boyle Heights Youth Technology and Recreation Center; \$100,000 to the City of Los Angeles for the Red Car Trolley study; \$75,000 to the Fort Ord Re-use Authority in Marina for economic development re-use activities at the former Fort Ord; \$100,000 to the Heritage Camp Foundation in California for its Feria de California program; \$100,000 to the Housing Trust of Santa Clara County for affordable housing efforts in Silicon Valley; \$100,000 to the Leimert Park Merchants Association in Los Angeles for continued revitalization efforts in the Leimert Park Village; \$125,000 to the City of Los Angeles for construction of the Ernest E. Debs Nature Center; \$150,000 to the City of Modesto for infrastructure needs in distressed neighborhoods; \$150,000 to the City of Vallejo for development of a fire suppression system of Mare Island; \$150,000 to the Davis Street Community Center in Central Alameda for facilities needs; \$175,000 to the Fine Arts Museum of San Francisco for construction needs of the M.H. de Young Memorial Museum; \$190,000 to the City of Simi Valley for the expansion of the Simi Valley Senior Citizens Center; \$190,000 to the City of Westminster for construction of a multi-cultural Community Center; \$198,000 to the City of Riverside and the California Department of Parks and Recreation for the Citrus Park project; \$200,000 to the City of Eureka for Fisherman Dock Area Harbor capital improvement needs; \$200,000 to the City of Highland for the city history museum; \$200,000 to the City of Inglewood for design and construction needs related to a new seniors center; \$200,000 to the City of Needles for blight abatement; \$200,000 to the City of Twentynine Palms for the Twentynine Palms Visitor Center; \$200,000 to the County of San Bernardino for construction of the Hall of Paleontology at the San Bernardino County Museum; \$200,000 to the County of San Bernardino for the Big Bear Zoo relocation and expansion; \$200,000 to the Town of Apple Valley for Phase One of Civic Center Park; \$200,000 to the Town of Yucca Valley for the Southside Community Park; \$240,000 to the City of Diamond Bar for construction of a senior center; \$240,000 to the Kern County Superintendent of Schools Office for the Mobility Opportunities via Education project as a component of the Southeast Bakersfield Redevelopment Project; \$250,000 for Covenant House California, for purchase and renovation of a new facility for the East Bay Street Outreach and Community Service Center; \$250,000 for the Center Theatre Group of Los Angeles for the Culver City Theater project; \$250,000 for the Martin Luther King, Jr. Freedom Center of Oakland for facility construction; \$250,000 to Pacific Union College in Angwin for the Napa Valley Community Resource Center; \$290,000 to the City of Citrus Heights for the Sunrise MarketPlace Revitalization Project; \$290,000 to the City of Stockton for the historic restoration of the Fox Theatre; \$290,000 to the Fund for the Preservation of the California State Mining and Mineral Museum; \$300,000 for Community Medical Centers of Fresno for renovations to the Fresno Community Regional Medical Center; \$300,000 to the City and County of San Francisco for its Masterlease Hotel program for the homeless; \$300,000 to the City of East Palo Alto for the redevelopment of the Ravenswood Industrial Area; \$300,000 to the City of Salinas for construction of a municipal pool; \$275,000 to the City of Santa Monica for gateway needs at the Santa Monica Mountains National Recreation Area; \$300,000 to the Sacramento California Housing and Redevelopment Agency for the Sacramento Asian Sports Foundation to construct a community center; \$490,000 to El Centro Regional Medical Center in Imperial County for construction of a heliport; \$490,000 to HomeAid to assist efforts to build and renovate homeless shelters; \$490,000 to the City of Bakersfield for the Baker Street Corridor project; \$490,000 to the City of Monrovia for the Old Town Monrovia Revitalization Project; \$490,000 to the City of Redding for the Stillwater Industrial Park; \$490,000 to the Sweetwater Authority in California for the Sweetwater and Loveland Reservoirs Recreation Project; \$500,000 to the San Dieguito Transportation Cooperative of California to centralize school bus transportation operations and increase service capacity; \$740,000 to the City of Lancaster to complete the Lancaster National Soccer Center; \$750,000 for the City of East Palo Alto to redevelop the Ravenswood industrial area; \$750,000 for the West Angeles Community Development Corporation of Los Angeles, for development of the West Angeles Plaza; and \$190,000 to the City of Oceanside for revitalization of the Crown Heights Neighborhood.

Brownfields Redevelopment

The report appropriates \$25,000,000 for brownfields redevelopment, the same level as proposed by both the House and the Senate. (See also brownfields language in Superfund, below).

HOME Investment Partnerships Program

For the HOME program, the bill provides a total of \$1,846,040,000, including \$50 million for the Downpayment Assistance Initiative, assuming it is authorized by mid-2002. California typically receives between 13% and 13.5% of HOME formula funding.

Homeless Assistance Grants

The bill appropriates \$1,122,525,000 for homeless assistance grants, an increase from both the \$1,027,745,000 as proposed by the House and the \$1,022,745,000 as proposed by the Senate. The conferees increased the funding to provide for full funding of Shelter Plus Care renewals within this account, instead of providing this funding in a separate account as had been proposed by the Senate.

ENVIRONMENTAL PROTECTION AGENCY

The bill provides a total of \$7.9 billion for the EPA, \$597 million above the President's request and \$75 million over FY 2001. EPA Research is increased \$33 million over the President's request and \$1.4 million over FY 2001, bringing FY 2002 funding to \$680 million.

Science and Technology

Within an appropriation of \$698,089,000 for science and technology at EPA (an increase above the \$680,410,000 proposed by the House and the \$665,672,000 proposed by the Senate), the conference report provides earmarks of \$500,000 to the University of California, Riverside for continued research of advanced vehicle design, advanced transportation systems, vehicle emissions, and atmospheric pollution at the CE-CERT facility; \$750,000 for the San Bernardino Valley Municipal Water District for research and design (cost evaluation and environmental studies) of a mitigation project addressing the city's contaminated high groundwater table and dangers presented by liquefaction; \$750,000 to the City of San Bernardino Municipal Water Department's Enhanced Reliability System of Improvements for water distribution and storage in San Bernardino; \$1,000,000 to improve the transmission, distribution, and storage of potable water in the City of Needles; \$750,000 for planning, design, and development of a groundwater storage system in the City of San Bernardino; \$750,000 to the City of Glendale working in conjunction with the Utah State University in Logan, Utah, the University of Colorado in Boulder, and UCLA for a research study and pilot treatment plant focused on the removal of chromium 6 from water; and \$750,000 to the Central California Air Quality Coalition for a California Regional Sacramento and San Francisco Bay Air Quality study for ozone.

Environmental Programs and Management

The report provides \$2,054,511,000 for environmental programs and management at EPA, including earmarks of \$2,500,000 for the Southwest Center for Environmental Research and Policy [San Diego State University is one of its five U.S. campuses]; \$300,000 to Riverside County for continued work on the Special Area Management Plan portion of the Riverside County Integrated Plan; \$500,000 to the San Joaquin River Exchange Contractors Authority for the development, planning and design of watershed restoration projects; \$750,000 to Ventura County for the completion and implementation of the Calleguas Creek Watershed Management Plan; \$250,000 to establish a Santa Ana River Watershed Research and Training Program at the Water Resources Institute of California State University, San Bernardino; \$500,000 to the Sacramento County Regional Sanitation District to continue the Sacramento River Toxic Pollutant Control Program and the Sacramento River Watershed Program; \$500,000 to the National Park Service/Golden Gate National Parks Association for the Crissy Field tidal marsh wetlands monitoring and restoration project; \$500,000 for MTBE remedial activities in Santa Monica; \$500,000 for cross-media and water quality monitoring in the Sweetwater River watershed; \$500,000 for Gateway Cities diesel emissions reduction program; and \$250,000 for the Central California ozone study.

Hazardous Substance Superfund

The bill provides \$1,270,000,000 for hazardous substance superfund, with \$635,000,000 to be derived from the Superfund Trust Fund, and the remaining \$635,000,000 from General Revenues of the Treasury. A total of \$910 million is to be used for cleanup activities.

The conferees also agreed to provide the budget request level of \$97,651,600 for the Brownfields program within the superfund accounts.

State and Tribal Assistance Grants

The conferees provided \$3,733,276,000 for state and tribal assistance grants including \$1,350,000,000 for Clean Water State Revolving Fund capitalization grants (California's share is historically less than 8%); \$850,000,000 for Safe Drinking Water capitalization grants (California's recent share has fluctuated between 4% and 9%); \$75,000,000 for the United States-Mexico Border program; \$1,074,376,000 for categorical grants to the states and tribes; and \$343,900,000 for cost-shared grants for construction of water and wastewater treatment facilities and infrastructure and for groundwater protection infrastructure.

For State Air Grants, of which California receives between 11% and 13%, the bill provides funding of \$217 million.

Report language stipulates that "no funds provided in the Act to address water infrastructure needs of colonias within the United States along the United States-Mexico border shall be made available to a county or municipal government unless that governmental entity has established an enforceable ordinance or rule which prevents the development or construction of any additional colonia areas, or the development within an existing colonia of any new home, business, or other structure which lacks water, wastewater, or other necessary infrastructure." The report also notes that the conferees provide \$8,000,000 above the budget submission for the new Beach Environmental Assessment and Coastal Health Act (BEACH) grant program.

Within \$343,900,000 earmarked for construction of water and wastewater treatment facilities and infrastructure and for groundwater protection infrastructure are: \$500,000 for the Santa Rosa drinking water infrastructure needs; \$500,000 for the Los Banos, wastewater and drinking water infrastructure project; \$500,000 for Compton sewer infrastructure needs; \$1,175,000 for Sacramento combined sewer system improvements; \$850,000 for the Placer County wastewater treatment project; \$500,000 for Lake County for the Clear Lake Basin 2000 project; \$2,800,000 for the Olivenhain drinking water project; \$500,000 for Oxnard area drinking water infrastructure needs; \$400,000 to the City of Colton for storm drain improvements; \$900,000 to the Mission Springs Water District to protect groundwater in the City of Desert Hot Springs; \$250,000 to the City of Modesto for replacement of the 9th Street storm drain; \$900,000 to the City of Laguna Beach for water and wastewater infrastructure improvements; \$100,000 to the Calaveras County Water District for water infrastructure improvements at the West Point Water System; \$150,000 to the Tuolumne Utilities District of Tuolumne County for water supply infrastructure improvements and a canal optimization study; \$1,800,000 to the Cities of Arcadia and Sierra Madre for seismic infrastructure upgrades to the drinking-water delivery system; \$485,000 to the Metropolitan Water District of Southern California for the Desalination Research and Innovation Partnership project; \$485,000 to the City of Redding for water and wastewater infrastructure improvements for the Stillwater Industrial Park; \$900,000 to the City of Bellflower for a water infrastructure project; \$500,000 for the continuation of water infrastructure improvements in Twentynine Palms; \$250,000 for the Warren Valley Basin Recharge/Reuse project in Yucca Valley; \$500,000 for the Lower Owens River Project in Inyo County; \$500,000 for the completion of water infrastructure improvements in the Yucaipa Valley Water District in Yucaipa; \$250,000 for the development of a water master plan to serve the water infrastructure needs of the City of Hesperia; \$500,000 for planning and design of a sewage treatment and water reclamation facility in Apple Valley; \$500,000 for environmental engineering and preliminary design of a regional water recycling facility in Victorville; \$485,000 to the City of Compton for the Willowbrook Water Main Infrastructure project; \$675,000 to the City of Brea for wastewater infrastructure improvements; \$250,000 to the City of Pico Rivera for repairs and upgrades of the sewage system; \$540,000 to the City of Lathrop to address contamination of the Sharp Depot well; \$250,000 to Mariposa County for infrastructure improvements to the Yosemite West wastewater treatment and disposal facility; \$900,000 to the City of Huntington Beach for the Huntington Beach Environmental Infrastructure Project; \$675,000 to the City of South Gate for wastewater infrastructure improvements; \$350,000 to the City of Garden Grove for construction of the Yockey/Newland Storm Drain; \$485,000 to the City of Santa Rosa for the Santa Rosa Geysers Reclaimed Water project; and \$250,000 to the County of Ventura for wastewater infrastructure needs in El Rio.

FEDERAL EMERGENCY MANAGEMENT AGENCY Disaster Relief

The conference report appropriates \$664,000,000 for disaster relief, instead of \$1,369,399,000 as proposed by the House and \$359,399,000 as proposed by the Senate. It also provides \$1,500,000,000 in contingent emergency funding for disaster relief instead of \$1,300,000,000 as proposed by the House and \$2,000,000,000 as proposed by the Senate. Language states, "The conferees are aware that on March 1, 2001 FEMA issued its "Clarification on SHMPH 'Immediate Occupancy' Requirement for using SHMPH Funding to Seismically Upgrade Existing Buildings." This Clarification defined parameters for the determination of when the "immediate occupancy" requirement in the Seismic Hazard Mitigation Program for Hospitals (the SHMPH Program) would be met by a subgrantee. The conferees urge FEMA to recognize that prior to the announcement of the clarification, many subgrantees in the SHMPH program worked diligently to move forward with their designs and construction in the belief that their plans met the undefined immediate occupancy requirement in the SHMPH program. The conferees urge FEMA to work closely with these subgrantees to ensure no disruption in their design or building schedule as a result of this program announcement."

Public Building Insurance Rule

The conference report is silent regarding the important California issue of whether FEMA should require that public buildings be insured for natural disasters. Language in the House report had been sharply critical of FEMA's past proposals to force California's schools, hospitals, universities, and state and local governments to seek expensive earthquake insurance coverage in order to remain eligible for federal funding. The Senate language differed from the House version. California delegation leaders are seeking clarification regarding the ultimate recommendation in the final bill.

NATIONAL SCIENCE FOUNDATION

Funding for the National Science Foundation (NSF) is increased \$363 million over FY 2001 million, bringing FY 2002 funding to \$4.8 billion. Funding includes \$3.6 billion for research; \$139 million for research equipment; and \$875 million for education and human resources. This represents a 9% increase over the FY 2001 level.

Within the \$3.6 billion in research funding, the conference report provides \$508,980,000 for Biological Sciences. Of this amount, \$75,000,000 has been provided for plant genome research on economically significant crops; \$515,800,000 for Computer and Information Science and Engineering (up to \$10,000,000 of the appropriated level may be used for operational support of the two terascale facilities); \$467,510,000 for Engineering; \$610,650,000 for Geosciences; \$922,190,000 for Mathematical and Physical Sciences; \$168,900,000 for Social, Behavioral and Economic Sciences; \$229,730,000 for U.S. Polar Research Programs; \$68,070,000 for U.S. Antarctic Logistical Support Activities; and \$106,510,000 for Integrative Activities.

Included within the \$139 million for research equipment is \$16,900,000 for the Large Hadron Collider; \$24,400,000 for the Network for Earthquake Engineering Simulation; \$35,000,000 for continued development, production and instrumentation of the High-Performance Instrumented Airborne Platform for Environmental Research (HIAPER); and \$35,000,000 for Terascale Computing Systems. Regarding terascale computing, report language specifies, "The conferees note that the amount provided for Terascale Computing Systems represents the initial segment of a three-year program expected to cost no less than the budget request of \$55,000,000. While the conferees remain committed to this program as outlined by the Foundation, it was determined that funding the program on an annual basis made it possible to provide adequate resources to other priority projects."

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

NASA funding is increased by \$508 million over FY 2001, bringing total FY 2002 funding to \$14.8 billion, \$282 million above the President's request.

The bill provides \$6,912,400,000 for human space flight. The conferees directed that not less than \$207,000,000 be made available for Space Shuttle Safety Upgrades, and they specify that the International Space Station should be funded at no more than \$1,963,600,000 in fiscal year 2002. Report language continues to question how to complete the ISS, as well as how to decide what constitutes the "U.S. Core Complete" for the facility, and the bill directs NASA and OMB leaders to outline a ten-year funding plan.

Space Science

The conferees have agreed to provide \$2,848,937,000 for space science programs, an increase of \$62,575,000 to the budget request. In addition, the conferees lamented the recent merging of aeronautics and space functions into a single budget category (which they argue makes it impossible to track aeronautics expenditures) and they thus direct NASA to reestablish a consolidated aeronautics line in the Administration's fiscal year 2003 budget submission.

Report language notes that "[t]he conferees have not accepted the Senate proposal to reduce NASA's space operations budget by \$25,000,000 by transferring Telecommunication and Mission Operations Directorate (TMOD) functions at the Jet Propulsion Laboratory to the Consolidated Space Operations Contract (CSOC). [JPL is located in Pasadena.]

Biological and Physical Research

The report provides \$714,370,000 for biological and physical research programs, an increase of \$353,450,000 to the budget request. It transfers \$283,600,000 from the Human Space Flight account into this program for research activities associated with the ISS.

The bill provides an increase of \$338,600,000 for space station research by transferring \$283,600,000 from Human Space Flight, and increasing by \$55,000,000 funds for the Fluids and Combustion Facility and other priority space station research and equipment. It also provides an increase of \$2,750,000 for the Space Radiation program at Loma Linda University Hospital.

Earth Science

The conference report provides \$1,573,413,000 for NASA earth science programs, an increase of \$58,435,000 to the budget request.

Aero-Space Technology

The conferees provide \$2,489,570,000 for aerospace programs, an increase of \$113,830,000 to the budget request. Within these funds are a slated increase of \$1,693,000 for the Dryden Flight Research Center Intelligent Flight Control System research project, and an increase of \$950,000 for development of advanced composite materials for a super lightweight prototype structure and a generic carrier for the space shuttle orbiter. Also included is an increase of \$7,500,000 for the advanced aircraft program, equally divided between flight research and propulsion and power research.

Academic Programs

Within Academic Programs at NASA, the bill includes total funding of \$230,810,000, a net increase of \$77,110,000 to the budget request. Adjustments to the budget request include an increase of \$1,000,000 for the Chabot Observatory and Science Center in Oakland.

GENERAL PROVISIONS

The conference report also includes modified language related to a national primary drinking water standard for arsenic as published in the Federal Register in January 2001, replacing language proposed by the House and the Senate. The language adopted by the conferees prohibits a delay in setting a new regulation other than that prescribed in the final rule of January 22, 2001, which includes an arsenic standard of 10 parts per billion (ppb).