



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:

House VA-HUD-Independent Agencies Appropriations and Calif. Implications - August 9, 2001

On Monday, July 30, 2001, by a vote of 336-89, the House passed their version of the FY 2002 Appropriations Bill for the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies, H.R.2620. It had passed the House Appropriations Committee on July 17. The Committee Report is H.Rept. 107-159. This analysis of the House bill is available at <http://www.calinst.org/pubs/vah02h.htm>. A printable version in Adobe Acrobat (pdf) format is available at <http://www.calinst.org/pubs/vah02h.pdf>. The following is 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.

The Senate passed its version of the bill, S.1216, on August 2, 2001, by a vote of 94-5. A California Institute analysis of that bill is available at <http://www.calinst.org/pubs/vah02s.htm>.

The House bill provides \$112,616,553,000 in new budget authority for the Departments of Veterans Affairs and Housing and Urban Development, and 20 independent agencies and offices, which represents a \$7,483,225,000 or 6.6% increase above the FY 2001 appropriations level.

DEPARTMENT OF VETERANS AFFAIRS

For the Department of Veterans Affairs, the House bill provides \$51,353,821,000, an increase of \$3,364,485,000 above the FY 2001 level and \$667,608,000 more than the budget.

Under the Construction, Major Projects account, the House report includes the following: "Appropriation language is included providing up to \$20,000,000 for costs associated with land acquisitions for national cemeteries in the vicinity of Sacramento, California; Pittsburgh, Pennsylvania; and Detroit, Michigan." It notes that current law, set in the last session of Congress, requires the Department to operate six national cemeteries. In addition the bill also includes language providing \$25 million in funding for state veterans' cemeteries. In this context, the House report language states in part: "The Committee encourages the Department to work with the States of California and Louisiana as those States apply for grants."

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The House bill recommends \$29,979,968,000 for the Department of Housing and Urban Development, a \$1,389,233,000 increase above the fiscal year 2001 level, and \$600,649,000 below the President's budget request.

Community Planning and Development
Housing Opportunities for Persons with AIDS

The House bill provides \$277,432,000 for the Housing Opportunities for Persons with AIDS (HOPWA) program, the level requested in the President's budget and a \$19,432,00 increase over the FY 2001 level. The program provides States and localities with resources and incentives to devise long-term comprehensive strategies to meet the housing needs of persons with HIV/AIDS and their families. Ninety percent of funding is distributed by formula, 10% through competition. California received nearly one fourth of HOPWA funds when the program was created in FY 1993; that share has declined to roughly 13% currently.

Empowerment Zones/Enterprise Communities

The House bill would zero out FY 2002 funding for Empowerment Zones and Enterprise Communities, which received \$200,000,000 in FY 2001 and for which the Administration requested \$150,000,000 for FY 2002.

Community Development Fund

The House bill recommends a total of \$4,801,993,000 for the Community development fund account, the amount requested by the President, and \$321,685,000 below the FY 2001 level. The bill recommends \$4,399,300,000 for Community Development Block Grants, of which California typically receives slightly more than 12%, as well as \$6,486,000 for Hispanic Serving Institutions, and \$5,000,000 for the National Council of La Raza for its national HOPE Fund to leverage additional investments in affordable housing and community development projects.

Brownfields Redevelopment

The House bill includes \$25 million (the same amount as the budget request and the FY 2001 figure) for Brownfields Redevelopment. The program provides competitive economic development grants in conjunction with section 108 loan guarantees for qualified brownfield projects.

HOME Investment Partnerships Program

The House bill includes \$1,996,040,000 for HOME, an increase of \$200,000,000 above the request and over FY 2001. California typically receives roughly 13.4% from the HOME program.

Homeless Assistance Grants

The House bill provides \$1,027,745,000, an increase of \$2,745,000 above the FY 2001 level and \$5,000,000 more than the President's request, for the homeless assistance grants account, which provides funding for the emergency shelter grants program; supportive housing program; section 8 moderate rehabilitation (single room occupancy) program; and shelter plus care program.

INDEPENDENT AGENCIES

Corporation for National and Community Service

The FY 2002 House bill recommends elimination of the CNCS, which administers the Americorps program. The Corporation had been recommended for \$411,480,000 in FY 2002 funding in the President's budget, and received \$428,500,000 in FY 2001. California receives less than 12% of these funds.

Environmental Protection Agency

For the EPA, the FY 2002 house bill recommends \$7,545,445,000, a level which is \$283,406,000 below the FY 2001 level but which is \$228,846,000 above the budget request. The bill includes an appropriation of \$680,410,000 for Science and Technology at EPA for fiscal year 2002, a decrease of \$15,590,000 below last year's spending level, and an increase of \$39,872,000 above the budget request.

Regarding arsenic in drinking water, the House report contained the following language: "The Committee is concerned that while the Agency recognizes that the dose-response relationship for arsenic may be sublinear, a position supported by the National Academy of Sciences in 1999, EPA continues to rely on traditional linear modeling because the Agency 'lacks sufficient available,

peer-reviewed information to estimate quantitatively a non-linear mode of action.' Consistent with this acknowledgment and the requirements of the Safe Drinking Water Act Amendments of 1996, the Committee strongly encourages the Agency to enter into contracts and any cooperative agreements not later than 180 days after the date of enactment of this Act to obligate and fully disburse the funds herein provided for research and its validation that will enable the Agency to describe the mode of action for arsenic, the shape of the dose-response curve, identify the key events, and develop a model to estimate quantitatively the dose-response curve."

The House bill includes \$2,014,799,000 for the Environmental Programs and Management account at EPA, which encompasses a broad range of abatement, prevention, and compliance activities. The amount is \$73,191,000 below the FY 2001 level and \$41,839,000 above the budget.

Hazardous Materials Superfund

For Superfund, the House bill for FY 2002 includes \$1,270,000,000, the same as last year's funding level, and an increase of \$1,865,000 above the budget request. The Committee report language recommended \$915,995,000 for Superfund response/cleanup actions, \$94,997,400 for continued Brownfields activities, \$133,078,000 for enforcement activities, and \$133,344,000 for management and support.

State and Tribal Assistance Grants

Within \$3,433,899,000 in total EPA funding for State and Tribal Assistance Grants, the House bill includes \$1,200,000,000 for the Clean Water State Revolving Fund (of which California received 7.8% in the most recent year studied), and \$850,000,000 for the Safe Drinking Water State Revolving Fund (of which California received 9.6%). In addition, this account includes \$75,000,000 for high priority U.S./Mexico border projects. It also recommends \$7,000,000 for beach grants to develop and implement monitoring and information programs for coastal recreation waters pursuant to the Beach Environmental Assessment and Coastal Health Act of 2000.

Federal Emergency Management Agency

For FEMA for fiscal year 2002, the House bill recommends \$2,257,352,000 which represents a decrease of \$182,448,000 from the fiscal year 2001 appropriation and an increase of \$44,407,000 above the FY 2002 Administration budget request.

Disaster Relief

The House bill recommends \$1,369,399,000 in regular appropriations for disaster relief, the same as the budget request and a decrease of \$230,601,000 compared to the fiscal year 2001 level.

In report language, the House disagrees with a plan proposed in the President's budget to decrease federal disaster mitigation assistance. The budget proposed a 50/50 cost share for post-disaster mitigation grants instead of the 75% federal/25% local cost share structure currently utilized. California Members of Congress had opposed the proposed shift. Report language states: "The Committee does not agree with the proposed change. The FEMA and federal government's cost associated with the section 404 post-disaster mitigation grant program is set by statute at 15% of the cost of a Presidentially declared disaster. Therefore, the overall Federal contribution does not change based upon the cost-share formula and no savings to the Federal budget are achieved through such a change. In addition, it is a widely held belief, substantiated by facts, that increasing the state and local share of costs for mitigation projects will result in fewer mitigation projects being accomplished. The net result would be an increase in the cost of disasters in the long run since mitigation measures will not be accomplished." Later, the bill includes language transferring \$2,900,000 from the disaster relief account to the emergency management planning and assistance account.

FEMA Public Building Insurance Rule

In addition, the House also expressed its support of the California Congressional delegation's position in strong opposition to the President's budget proposal provisions to require that state, local, and private non-profit entities carry building insurance, calling the plan "of dubious

merit.” House report language states, “The Committee remains concerned that requiring insurance as a condition of receiving public assistance exceeds the direction provided to FEMA under the Stafford Act, discourages attempts to mitigate damage before it occurs, assumes an unproven premise regarding the insurance market’s treatment of disasters and the availability, affordability and adequacy of coverage for such insurance. The Committee strongly believes that imposing additional disaster cost burdens on states, municipalities, and private non-profit hospitals and universities is ill-conceived. The Committee reminds FEMA that denying disaster assistance to underinsured or uninsured entities that suffer catastrophic losses as a result of a disaster could result in significant consequential losses of public services, medical care, and education. Furthermore, the Committee remains concerned that FEMA has not conducted a thorough cost-benefit analysis or conducted extensive outreach with potentially affected entities, particularly those entities that are susceptible to catastrophic earthquakes. The Committee directs FEMA not to initiate a rulemaking process until a comprehensive analysis has been conducted which concludes that insurance is available and affordable for all types of perils.”

Emergency Food and Shelter Program

The House Bill recommended \$140,000,000 for FEMA’s Emergency Food and Shelter Program, an increase of \$308,000 when compared to the budget request and the same as the fiscal year 2001 appropriation. California has received roughly 16% of program funds in recent years.

National Aeronautics and Space Administration

The House bill includes a total program level of \$14,951,400,000 for NASA in fiscal year 2002, which is an increase of \$440,000,000 from the budget request and an increase of \$666,100,000 compared to the fiscal year 2001 enacted appropriation.

Human Space Flight

The bill includes \$7,322,400,000 for the human space flight account in fiscal year 2002, including a decrease of \$283,600,000 for station research which has been moved to the Science, Aeronautics and Technology account per the request of the administration.

Included is a \$35,000,000 increase for the space shuttle. The House report language states, “The Committee is concerned that NASA has not been able to adequately address urgent infrastructure needs and directs NASA to identify the most urgent upgrades necessary to provide for the continued safe operation of the shuttle program.”

The House Committee recommendation includes the budget request of \$1,831,300,000 for the International Space Station, including a \$275,000,000 boost for a Crew Return Vehicle. The report expresses concerns with cost increases for the program, and requires various data items to help Congress make informed decisions regarding the program in FY 2003. In report language, the Appropriations Committee stated that it is investigating the matter “because changes to the ISS program proposed as part of the budget request, if endorsed without question, would lead the program down a path which would significantly alter the goals and accomplishments of the ISS. The Committee believes that the key problem with the proposed budget is that it deletes the capability of the ISS to support a permanent crew of six or seven persons and causes a scaled-down research program.” It adds, “the Committee has included in its recommendations a series of actions which will elicit more complete information and retain options which will allow the Congress to make an informed decision as part of the fiscal year 2003 authorization and appropriations process.

The House committee expressed concern about the viability of Space Station research in the context of cost controls, stating, “the proposed answer for the cost increases in the station would place that research goal in jeopardy by undermining the development of a cadre of ground-based research efforts leading to eventual flight and by scaling back the facilities on-board the station. The Committee recommendation includes moving the research program out of the Human Space Flight account in order to insulate it more effectively from the ramifications of future cost growth in the hardware segments of the station. The amount of funding moved is \$283,600,000 which is the amount remaining after the reductions mandated by the most recent cost increase in the station program.” Similar views are echoed in dissenting views by the Committee’s minority members.

Science Aeronautics and Technology

The House Committee recommended \$7,605,300,000 for Science, Aeronautics and Technology, an increase of \$413,600,000 to the budget request. The House report expressed concern that the “program’s aeronautics efforts have declined from approximately \$1,000,000,000 annually in 1994 to just under \$400,000,000 today. This decline has occurred as foreign competition has reached virtual parity with the U.S. aeronautics industry in annual commercial sales and the Europeans in particular have established a formal ‘2020 Vision’ with a goal to dominate global aeronautics and aviation services.”

The report notes that the FY 2001 appropriations bill transferred responsibility for satellite technology export licensing from the Department of Commerce to the Department of State, but it expressed concerns that the “unfortunate and unintended consequence of the jurisdictional move has been that university-based fundamental science and engineering research, widely disseminated and unclassified, has become subject to overly restrictive and inconsistent [State Dept.] direction.”

For Space Science, the House Committee recommended \$2,759,363,000, a net reduction of \$27,000,000 from the Administration budget request. The bill includes funding of \$72,100,000 (down by \$20,000,000 from the budget request but a substantial increase from FY 2001) for the Next Generation Space Telescope.

For the Biological and Physical Research portion of the NASA budget, the House bill recommends \$710,920,000, a net increase of \$350,000,000 to the budget request. Among other specifications, it recommends an increase of \$3,000,000 for the Space Radiation program at Loma Linda University Hospital.

In the Earth Sciences portion of this account, the House recommends \$1,516,728,000, a net increase of \$1,750,000 to the President’s budget request.

For the Aero-Space Technology portion of the Science Aeronautics and Technology account, the House bill recommends \$2,430,789,000, a net increase of \$60,045,000 to the budget request, and it notes that the importance of affordable access to space has prompted spending of the fully requested amount for the Space Launch Initiative. The bill also urges NASA to “take all necessary steps to keep hardware related to the X-34 program until the end of June, 2002 or such time as the Air Force makes a determination to either proceed or not proceed with the program.” Among specific Aero-Space Technology account earmarks is an increase of \$3.5 million for the Institute for Software Research for several items, including \$1,750,000 for on-going activities in support of Dryden Flight Research Center’s Intelligent Flight Control System research project, and \$1,000,000 for the development of advanced composite materials for a super lightweight prototype structure and a generic carrier for the space shuttle orbiter.

Within the Academic Programs portion of this account, the report recommends \$188,500,000, a net increase of \$34,800,000 to the budget request, and specifies an increase of \$2,500,000 above the request for the JASON Foundation.

National Science Foundation

The House bill recommends a total of \$4,840,160,000 for NSF in FY 2002, an increase of \$414,038,000 above FY 2001 and an increase of \$367,640,000 above the President’s budget.

Research and Related Activities

For Research, the bill includes a total of \$3,642,340,000, up by \$292,340,000 from FY 2001 and an increase of \$315,359,000 above the budget request. The House recommendation includes the following program levels: (1) Biological Sciences, \$528,980,000; (2) Computer and Information Science and Engineering, \$520,800,000; (3) Engineering, \$469,510,000; (4) Geosciences, \$612,650,000; (5) Mathematical and Physical Sciences, \$927,190,000; (6) Social Behavioral and Economic Sciences, \$178,900,000; (7) U.S. Polar Research Programs, \$229,730,000; (8) U.S. Antarctic Logistical Support Activities, \$68,070,000; and (9) Integrative Activities, \$106,510,000. Regarding nanotechnology, which California researchers are seeking to explore, the bill urges “a stronger emphasis on research that explores biological mechanisms at the molecular force level.”

Major Research Facilities Construction and Equipment

The House recommends \$135,300,000 for the major research construction and equipment account for fiscal year 2002. This appropriation reflects the budget request levels of \$16,900,000 for the Large Hadron Collider, and \$24,400,000 for the Network for Earthquake Engineering Simulation. The bill also provides \$35,000,000 for Terascale Computing Systems, as well as \$35,000,000 for continued development of the High-Performance Instrumented Airborne Platform for Environmental Research (HIAPER).

Education and Human Resources

For the education and human resources account, the House bill includes \$885,720,000, an increase of \$98,368,000 above last year's appropriated level and \$13,313,000 above the Administration budget request. This section encourages NSF to strengthen outreach to community colleges and to better emphasize the involvement of community colleges in its activities.