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SPECIAL REPORT: **House VA, HUD & Independent Agencies Appropriations for FY 2005 and California Implications – *October 8, 2004***

On July 22, 2004, the House Appropriation's Committee marked up and reported by voice vote its version of the Fiscal Year 2005 Appropriations Bill for the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies, H.R. 5041. The House Appropriations Subcommittee approved and reported its version of the bill by voice vote on July 20, 2004. The Committee Report is H.Rpt. 108-674. The House has yet to vote on the bill. The Senate VA-HUD Appropriations Bill was reported out of the Senate Appropriations Committee on September 21, 2004. The Committee report is S.Rpt. 108-353. The Senate has not yet voted on its bill.

The following represents a quick analysis of the report 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 at <http://www.calinst.org/pubs/vah05h.htm> and in printable pdf format at <http://www.calinst.org/pubs/vah05h.pdf> .

The House VA HUD appropriations bill authorizes total spending of \$128.0 billion in new budget authority for the Departments of Veteran Affairs and Housing and Urban Development and 21 independent agencies and offices. The total represents an increase of \$5.3 billion over fiscal year 2004 appropriations. In the FY05 bill, \$92.9 billion of total funds is discretionary spending, marking a \$2.9 billion increase from FY04 spending and an \$800 million increase over the President's budget request.

DEPARTMENT OF VETERAN AFFAIRS

In the House bill, the Department of Veteran Affairs is funded at \$65.9 billion, representing a \$4.1 billion increase over FY04 comparable spending and a \$1.2 billion increase over the Administration's FY05 budget request. Nearly all of the bill's appropriations for the Department center on veterans' benefits and medical care: \$30.3 billion for the Veterans Health Administration,

\$19.5 billion for Medical Services, \$4.7 billion for Medical Administration, \$3.7 billion for Medical Facilities, and \$385 million for Medical Research. Of other funds, however, California will receive \$131.0 million in earmarks for construction projects through the VA's Capital Asset Realignment Enhanced Services (CARES) program, with emphasis on correcting "life/safety code deficiencies in existing Department medical facilities," including:

- \$33.2 million for seismic corrections in Menlo Park, CA;
- \$41.5 million for seismic corrections in San Francisco, CA;
- \$8.0 million for seismic corrections and design in Los Angeles, CA; and
- \$48.3 million for seismic corrections in San Diego, CA.

The bill provides for a large increase in funding for CARES and other major construction programs under the VA, appropriating \$458 million, an increase of \$187 million over FY04 and equal to the President's request. Within those funds, California receives \$21.6 million for Phase 1 development in Sacramento, CA under the National Cemetery Administration.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The bill provides for a total programming level of \$37.8 billion, which is \$107 million less than FY04 comparable funding levels and \$1.0 billion above the Administration's request.

Housing Certificate Fund/Section 8 Program

The bill proposes a substantial change to the organization of Housing Certificate Funds and the Section 8 program. Whereas previously, both programs were funded under a single title, the Housing Certificate Fund, the House bill divides the funding into two programs in order to have "a more complete accounting of the funds appropriated to these programs." The change does not have significant effects on relative funding levels. In total, the Committee appropriates \$20.0 billion to both programs, which is \$761 million above FY04 funding and \$1.55 billion above the budget request. The Tenant-Based Rental Assistance program, which includes Section 8 funding, receives \$14.7 billion, which is \$491 million above FY04 funding and \$1.56 billion above the Administration's request. Of the \$14.7 billion, \$13.3 billion is earmarked for renewal of expiring Section 8 vouchers, which is \$581 million above FY04 funding and \$1.5 billion above the President's request. The other funding title emanating out of the Housing Certificate Fund, Project Based Rental Assistance is funded at \$5.3 billion which is \$270 million above comparable FY04 funding and \$10 million below the budget request.

Public Housing Capital Fund

The bill appropriates \$2.58 billion for the Public Housing Capital Fund, which provides funding for public housing capital programs, including public housing development, modernization, and amendments. The program funding represents a cut of \$116 million from FY04 and is \$94 million below the Administration's request.

Revitalization fo Severely Distressed Public Housing (HOPE IV)

The Committee appropriates \$143 million for the demolition of severely distressed public housing under the HOPE IV program, which is \$6 million below FY04 funding and \$143 million above the Administration's request.

Public Housing Operating Fund

The bill funds the Public Housing Operating Fund (PHOF) at \$3.4 billion, \$153 million less than FY04 comparable funding and \$148 million below the budget request. PHOF subsidizes the costs associated with operating and maintaining public housing.

Native American Housing Block Grants

The bill appropriates \$622 million for Native American Housing Block Grants, which provides funds to Native American tribes for meeting their housing needs. The amount is \$28 million less than FY04 and \$25 million below the budget request.

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

The Committee recommends \$282 million for HOPWA, which is \$12.8 million below both FY04 funding levels and the budget request.

Community Development Fund

The bill funds the Community Development Fund, which provides fiscal resources to State and local entities, as well as other organizations that carry out community and economic development activities, at \$4.7 billion. The funding level is \$209 million less than FY04 and \$92 million greater than the budget request. Within the Fund there are more than 660 specific earmarks, of which California receives 67 totaling \$14.075 million. In alphabetical order by location, the California earmarks are as follows.

- American Canyon - \$75,000 to the City of American Canyon for construction of the Veterans Memorial Park
- Anaheim - \$100,000 to the City of Anaheim for the reconstruction and lighting of the Magnolia High School athletic fields
- Apple Valley - \$650,000 to the City of Apple Valley for construction of the Civic Center Park project
- Azusa - \$100,000 to the City of Azusa for construction of a health care clinic
- Bakersfield - \$300,000 to the City of Bakersfield for sidewalks, street furniture and facade improvements
- Banning - \$250,000 to the City of Banning for the construction and renovation of the city pool
- Burbank - \$75,000 to the City of Burbank for construction of the Ovrrom Recreation Center and Community Day School
- Cherryland and Ashland - \$125,000 to the County of Alameda Public Works Agency for sidewalk improvements
- Citrus Heights - \$200,000 to the City of Citrus Heights for the Auburn Boulevard Commercial Corridor Enhancement
- Costa Mesa - \$400,000 to HomeAid America for the construction of temporary HomeAid America homeless shelters
- Desert Hot Springs - \$250,000 to the City of Desert Hot Springs for the development and construction of the Civic and Community Center
- Duarte - \$100,000 to the City of Duarte for construction of a new library
- Fremont - \$100,000 to the City of Fremont for facilities renovations to the Kidango Rix Child Care Center
- Fresno - \$75,000 to the City of Fresno for improvements in Southern Fresno Industrial Park

- Imperial County - \$100,00 for project planning of the Imperial County Eco Park
- Inglewood - \$175,000 to the City of Inglewood for construction of the Inglewood Senior Center
- Kern County - \$200,000 for infrastructure improvements of the Imperial Way Industrial Park
- Lafayette - \$125,000 to the City of Lafayette for the construction of a veterans memorial building
- Lancaster - \$250,000 to the City of Lancaster for land acquisition for the North Downtown Transit Village Project
- Lawndale - \$100,000 to the City of Lawndale for construction of the Lawndale Senior Center
- Lincoln - \$1 million to the City of Lincoln for construction and renovation of a Cultural and Business Center
- Livermore - \$225,000 to the City of Livermore for facilities construction and renovations for the Tri-Valley Homeownership Clearinghouse
- Lompoc - \$100,000 to the Lompoc Boys and Girls Club for facilities renovation of the Lompoc Boys and Girls Clubhouse
- Long Beach - \$125,000 to the City of Long Beach for renovation and expansion of the Museum of Latin American Art
- Los Angeles - \$75,000 to the El Proyecto Pastoral for construction of a pre-school center
- Los Angeles - \$75,000 for the renovation of the Barnsdall House and Park
- Los Angeles - \$75,000 for land acquisition and development of the East Wilmington Park
- Los Angeles - \$125,000 to the El Pueblo de Los Angeles Historic Park for restoration of a mural
- Los Angeles - \$175,000 to the City of Los Angeles for rehabilitation of the Echo Park Boathouse
- Los Angeles - \$125,000 to the East Los Angeles Community Corporation for renovations of office space in Boyle Heights
- Marin County - \$100,000 to Center Point, Inc. for renovation of a treatment facility for youth
- Montebello - \$75,000 to the City of Montebello for renovations to the George Hensel Aquatic Center
- North Fork - \$250,000 to the North Fork Community Development Council for industrial park development
- Oceanside - \$250,000 to the City of Oceanside for construction of a new Senior Center
- Pacoima - \$100,000 to the Valley Economic Development Center for facilities construction of the Pacoima Community Development Federal Credit Union
- Palo Alto - \$175,000 to the City of Palo Alto for restoration of the Palo Alto Children's Library
- Porter Ranch - \$75,000 to the City of Porter Ranch for facility expansion of the North Valley YMCA
- Redding - \$200,000 to the City of Redding for the Industrial park development at the Stillwater Business Park
- Riverside - \$250,000 to Riverside Community College for facilities construction and renovation improvements
- Riverside - \$200,000 to Riverside Community College for the construction of the School of Nursing

- Sacramento - \$300,000 to the Sacramento Area Regional Technology Alliance for an economic development planning study
- San Jose - \$100,000 to the City of San Jose for construction of a multipurpose community center
- San Bernardino - \$75,000 to the City of San Bernardino for the expansion of its senior center
- San Diego - \$250,000 to the San Diego Food Bank for facilities improvements
- San Jose - \$75,000 to the City of San Jose for renovations and upgrades to a shopping district
- San Francisco - \$300,000 to the International Museum of Women for rehabilitation and buildout
- San Francisco - \$400,000 to the Filipino Cultural Center
- San Francisco - \$1 million to the City and County of San Francisco for capital improvements, upgrades and buildout for a senior homeless facility
- San Bernardino - \$300,000 to the National Orange Show for facilities construction and renovation of the stadium
- San Diego - \$75,000 to the Vietnam Veterans of San Diego for the Construction of a new homeless shelter
- San Leandro - \$100,000 to the City of San Leandro for the construction of the San Leandro Senior Citizens Center
- Santa Monica - \$275,000 to the City of Santa Monica for facilities construction and renovation of the Santa Monica National Mountains Gateway Visitors Center
- Santa Barbara - \$125,000 to the City of Santa Barbara for construction and restoration associated with the Arroyo Burro Beach Park
- Santa Cruz and San Benito Counties - \$300,000 to the Second Harvest Food Bank for facilities construction and renovations
- Santa Rosa - \$100,000 to the Valley of the Moon Children's Home for construction
- Santee - \$375,000 to the Boys and Girls Club of East San Diego County for Construction of a new clubhouse
- Shafter - \$500,000 to the University of California for facilities construction and renovation to the Shafter Cotton Research and Extension Center
- Sierra Madre - \$600,000 to the City of Sierra Madre, for the Construction of the Sierra Madre Youth Activity Center
- Stockton - \$75,000 to the City of Stockton for renovation of the El Dorado Teen Center
- Sylmar - \$100,000 to the Sylmar Recreation and Park Center for facilities construction and renovation
- Thousand Oaks - \$150,000 to the Thousand Oaks Boys and Girls Club for the construction of a new clubhouse on the campus of Colina Middle School
- Tulane - \$200,000 to the International Agri-Center for facilities construction
- Twentynine Palms - \$150,000 to the City of Twentynine Palms for facilities and land acquisition for the Joshua Tree National Park Visitors Center
- Westminster - \$250,000 to the City of Westminster for construction of the Community Cultural and Education Center
- Whittier - \$200,000 to the City of Whittier for the expansion and remodeling of the Whittwood Branch Library
- Windsor - \$75,000 to the City of Windsor for the rehabilitation of Keiser Park

- Yucca Valley - \$100,000 to the town of Yucca Valley for the Civic Center Park

Brownfields Redevelopment

The bill allocates \$24 million for the Brownfields Redevelopment program, which seeks to “return contaminated sites to productive uses with an emphasis on creating substantial numbers of jobs for lower-income people in physically and economically distressed neighborhoods.” The funding is \$853,000 below FY04 funding. The President’s request provided no funding for the program.

HOME Investment Partnership Program

The bill funds the HOME investment partnership program, which provides grants to States and local governments for increasing affordable housing, at \$1.9 billion. The funding level is \$85 million below FY04 funding and \$164 million below the Administration’s request. \$1.8 billion of the funds are designated for formula grants.

Homeless Assistance Grants

The bill provides \$1.2 billion for Homeless Assistance grants, which is \$53 million below FY04 funding and \$76 million below the budget request. The grants fund four programs under the umbrella of title IV of the McKinney Act: 1) emergency shelter grants program, 2) the supportive housing program, 3) the section 8 moderate rehabilitation (single occupancy) program, and 4) the shelter plus care program.

Samaritan Housing Initiative

The bill provides no funds for the Samaritan Housing Initiative, for which the Administration requested \$50 million, because authorization for the program has not yet been passed by Congress.

Housing for the Elderly

The bill provides \$741 million for Housing for the Elderly, \$32 million less than FY04 funding and the Administration’s request. \$654 million of the funds would be distributed through new capital and project rental assistance grants (PRAC).

Housing for Persons with Disabilities

The bill appropriates \$238 million for Housing for Persons with Disabilities, which finances the acquisition, rehabilitation or construction of housing for disabled persons. The funding is \$11 million below FY04 levels and the President’s request.

INDEPENDENT AGENCIES

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

The bill provides \$572 million for the Corporation for National and Community Service. The appropriation is \$9 million less than FY04 funding and is \$70 million less than the Administration’s request. Included in the funding is \$290 million for AmeriCorps competitive and formula state grants, as well as funding for the Learn and Serve, National Civilian Community Corps, Points of Light Foundation, and America’s Promise programs.

ENVIRONMENTAL PROTECTION AGENCY

The bill provides \$7.7 billion for the Environmental Protection Agency (EPA), which is \$612 million less than FY04 funding and \$36 million less than the President's request. Among the EPA programs addressed are air and water quality, drinking water, hazardous waste, research, pesticides, radiation, toxic substances, enforcement and compliance assurance, pollution prevention, oil spills, Superfund, Brownfields, and the Leaking Underground Storage Tank (LUST) program. Additionally, the EPA is responsible for conducting environmental research and monitoring environmental conditions. The EPA funds most of its programs through three accounts: Science and Technology, Environmental Managements and Programs, and State and Tribal Assistance Grants.

Science and Technology

The Science and Technology account, which funds all Environmental Protection Agency research, receives funding of \$729 million, \$52 million below FY04 funding and \$39 million above the budget request. Unlike last year, where California received four grants worth \$2.6 million, this year the fund includes only a single earmark worth \$350,000 for California organizations:

- Riverside - \$350,000 to the University of Riverside for the Center for Environmental Research and Technology

Environmental Management and Programs

The bill provides \$2.2 billion for Environmental Programs and Management, which is \$38 million less than FY04 and \$75 million less than the Administration's request. The Environmental Programs and Management account encompasses a broad range of abatement, prevention, and compliance activities. Abatement, prevention, and compliance activities include setting environmental standards, issuing permits, monitoring emissions and ambient conditions and providing technical and legal assistance toward enforcement, compliance, and oversight. In most cases, the states are directly responsible for actual operation of the various environmental programs. Within the Environmental Management and Programs account there are 67 specific earmarks, of which California receives 7 totaling \$1.125 million. In alphabetical order by location, the California earmarks are as follows.

- Fullerton - \$100,000 to the California State University - Fullerton for the National Center for Water Hazard Mitigation
- Highland - \$300,000 to the City of Highland for the City of Highland Environmental Learning Center
- Malaga - \$75,000 for Operation Clean Air for the Hot Spot Pilot Program
- Redlands - \$100,000 to the University of Redlands for the Salton Sea Database
- Salton Sea - \$100,000 to the Salton Sea Authority for air quality mitigation projects
- San Joaquin Valley - \$200,000 to Operation Clean Air Advocates, Inc. for Operation Clean Air
- Ventura County - \$250,000 to the Calleguas Municipal Water for the Calleguas Creek Watershed Management Plan Implementation

The bill includes level funding of \$1.2 billion for the Hazardous Substance Superfund, which is \$123 million above the budget request; \$74 million for the Leaking Underground Storage Tank Trust Fund, which is \$1.5 million less than FY04 funding and \$1.4 million more than the

President's request; and \$16 million for Oil Spill Response, which is essentially the same as FY04 and \$425,000 less than the budget request.

STATE AND TRIBAL ASSISTANCE GRANTS

The bill provides \$3.3 billion for State and Tribal Assistance Grants, which is \$518 million less than FY04 funding and \$127 million more than the Administration's request. This account provides grant funds to programs operated primarily by state, local, tribal and other governmental partners. The account includes categorical grants of \$50 million for high priority U.S./Mexico border projects; \$225 million for State and Local Air Quality Assistance; \$200 million for Pollution Control (Section 106). Additionally, of the State and Tribal Assistance Grants there are 439 specific earmarks, of which California receives 45 totaling \$15.75 million. In alphabetical order by location, the California earmarks are as follows.

- Arcadia and Sierra Madre - \$1 million to the Cities of Arcadia and Sierra Madre for the Joint Water Infrastructure Restoration Program
- Banning - \$750,000 to the City of Banning for the Brinton Reservoir
- Barstow - \$250,000 for a new sewer master plan implementation project
- Brea - \$200,000 to the City of Brea for sewer infrastructure improvements
- Brisbane - \$350,000 to the City of Brisbane for water and wastewater infrastructure improvements
- Carson - \$200,000 to the California State University, Dominguez Hills for the Center for Urban Environmental Research
- Castaic Lake - \$250,000 to the Castaic Lake Water Agency for wastewater infrastructure improvements
- Chula Vista - \$100,000 to the Sweetwater Authority for water quality monitoring
- Desert Hot Springs - \$750,000 for Mission Springs Water District for the Groundwater Protection, Supply Enhancement/Reuse Program
- Downey - \$250,000 to the City of Downey for storm water infrastructure improvements
- East Palo Alto - \$200,000 to the City of East Palo Alto for the storm water infrastructure improvements
- El Segundo - \$250,000 to the City of El Segundo for wastewater infrastructure improvements for Smoky Hollow
- Eureka - \$250,000 to the City of Eureka for the Martin Slough Interceptor
- Folsom - \$250,000 to the City of Folsom for the sewer rehabilitation project
- Fountain Valley - \$200,000 for the Orange County Sanitation District for a new secondary treatment facility in Fountain Valley
- Fountain Valley - \$500,000 to the Orange County Sanitation District for wastewater infrastructure improvements
- Gardena - \$250,000 to the City of Gardena for water and wastewater infrastructure improvements
- Huntington Beach - \$300,000 to the City of Huntington Beach for the Wintersberg Channel Urban Run-Off Treatment
- Laguna Beach - \$600,000 to the City of Laguna Beach for emergency sewer repairs
- Lake Arrowhead - \$200,000 to the City of Lake Arrowhead for Community Services District
- Mission Viejo - \$200,000 to the City of Mission Viejo for the Oso Creek Barrier Project

- Modesto - \$150,000 to the City of Modesto for the neighborhood storm water, sewer, and water infrastructure project (Ninth Street Corridor Storm Drain Project)
- Monrovia - \$400,000 to the City of Monrovia for water and wastewater infrastructure improvement
- Monte Rio - \$200,00 for Sonoma County for the Monte Rio sanitation project
- Monterey County - \$350,000 to the Monterey County Water Resource Agency for the Salinas Valley Water Project
- Moreno Valley - \$250,000 to the Box Springs Mutual Water Company for installation of a sewer system
- Norwalk - \$250,000 to the City of Norwalk for the Balancing Facility Project
- Orange County - \$150,000 for the Municipal Water District of Orange County for an Orange County water reliability study
- Oxnard - \$200,000 to the City of Oxnard for the Headworks Expansion Project and Redwood Trunk Project
- Redding - \$350,000 to the City of Redding for Water infrastructure improvements
- Rialto - \$150,000 to the City of Rialto for water infrastructure improvement
- Roseville - \$250,000 to the City of Roseville for Water infrastructure improvements
- Sacramento - \$500,000 to the city of Sacramento for combined sewer system improvement rehabilitation project
- San Jose - \$200,000 to the City of San Jose for water and wastewater infrastructure improvements
- San Francisco - \$1 million to the City of San Francisco for water and wastewater infrastructure improvements
- San Bernardino - \$200,000 to the City of San Bernardino for Lakes and Stream project
- San Diego - \$750,000 to the San Diego County Water Authority for the San Diego County Water Authority Regional Seawater desalination Initiative
- Santa Monica - \$250,000 to the City of Santa Monica for water infrastructure improvements
- Santa Clara - \$800,000 for the Santa Clara Valley Water District for Perchlorate Cleanup
- Solana Beach - \$1 million to the City of Solana Beach for wastewater treatment improvements in the municipal sewer system
- Strathmore - \$150,000 to the Strathmore Public Utility District for a wastewater treatment plant
- Vallejo - \$300,000 to the City of Vallejo for the Mare Island Sanitary Sewer and Storm Drain Improvement Project
- Victorville - \$250,000 to the City of Victorville for water infrastructure improvements
- Westminster - \$200,000 to the City of Westminster for the Westminster Water Quality Pilot Project
- Yucca Valley - \$150,000 for the Bighorn Desert Water Agency for water infrastructure improvements

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (NASA)

The bill appropriates \$15.1 billion for the National Aeronautics and Space Administration (NASA) for space and aeronautics research, development, and flight activity. The FY05 funding level is \$228 million less than FY04 funding and \$1.1 billion less than the Administration's request.

Science Aeronautics and Exploration

The Science Aeronautics and Exploration section of NASA is funded at \$7.6 billion, which is \$209 million less than FY04 appropriation and \$138 million less than the budget request. This fund provides for the research and development activities, and all associated costs of the National Aeronautics and Space Administration, including space science, earth science, biological and physical research, aeronautics, and education programs. This funding includes \$691 million for exploration of Mars and the following funding for California related entities:

- \$1 million for the University of San Francisco Center for Science and the Environment
- An increase of \$1 million for the development of a Research Flight Computing System in support of the NASA Dryden Flight Research Center's Altair/Predator B UAV Technology Demonstrator Project
- An increase of \$3,000,000 for space radiation research at the Loma Linda University Medical Center

The Committee rejected a change in the title of the funding account that would have placed the word "Exploration" ahead of "Science" and "Aeronautics"

Exploration Capabilities

Exploration Capabilities, previously called Space Flight Capabilities, is funded at \$7.5 billion, \$23 million below FY04 funding levels and \$959 million below the Administration's request. This fund supports exploration capabilities including human and robotic technology, transportation systems, the international space station, space shuttle programs, and flight support.

The Committee is relatively emphatic in its support for "the new Vision for Space Exploration" and notes the significant public support for the President's space initiatives.

NATIONAL SCIENCE FOUNDATION

The bill provides \$5.5 billion for the National Science Foundation, which is \$110 million below the FY04 funding level and \$277 million below the Administration's request. \$4.2 billion of the Foundation's funding is earmarked for Research and Related activities, which is \$99 million less than FY04 spending levels and \$300 million less than the President's request. Another \$842 million is allocated for Education and Human Resources, which is \$95 million less than FY 04 and \$71 million more than the budget request.

MINORITY VIEW

The bill includes a statement of minority views, written and signed by Reps. David Obey and Alan B. Mollohan, describing perceived inadequacies in funding levels for Veteran's benefits, housing programs, NASA initiatives, and the EPA.