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# **SPECIAL REPORT:**

## **VA-HUD Appropriations and California Implications**

### **- Updated October 19, 2000 -**

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Both the House and Senate debated and passed the conference report (H.Rpt. 106-988) for the FY01 Appropriations for the Departments of Veterans Affairs and Housing And Urban Development and for Independent Agencies (H.R. 4635) on Thursday, October 19, 2000. The House approved the conference report by a 386 to 24 margin, and the Senate approved it 85 to 8. The following report is an examination of that conference report from a California perspective prepared by the California Institute.

Note that the FY01 Energy and Water Development Appropriations conference report was attached to the VA-HUD bill. The attached Energy and Water language is largely similar to a freestanding bill vetoed by the President on October 7, except that the prime reason for the veto, language regarding the Missouri River, was deleted from this final bill. We apologize in advance for any errors or omissions in our discussion and would appreciate any feedback on how to make improving corrections. The ordering of items is not intended to imply any relative importance. The report is available on our website at <http://www.calinst.org/pubs/vahapp01.htm>.

The \$107.3 billion VA-HUD-Independent Agencies Appropriations bill for FY01 includes \$30.5 billion in funding for HUD, an increase of \$4.6 billion over FY00, and an additional \$638 million for NASA, raising the total appropriations to \$14.3 billion. Funding for the National Science Foundation is also increased under the bill by \$529 million, for a total of \$4.4 billion.

#### **Department of Housing and Urban Development**

The VA-HUD conference report appropriates \$5.06 billion for the community development fund, an increase from both the House proposal of \$4.5 billion and the Senate's \$4.8 billion level. Within that level, the bill makes various earmarks, including:

- \* \$500,000 for the City of Gardena for planning of downtown redevelopment;
- \* \$500,000 for the City of San Francisco for preservation and restoration of the Old Mint;
- \* \$250,000 for the Museum of Latin American Art in Long Beach to expand and upgrade facilities;
- \* \$250,000 for FAME Renaissance in Los Angeles to continue work on a small business incubator;
- \* \$750,000 for the City of Fresno for the Fresno Community Health Centers regional medical center;
- \* \$250,000 for the City of Inglewood for the Market Street Senior Center;
- \* \$250,000 for the City of San Francisco for a homeless housing initiative;

- \* \$250,000 for the City of Santa Ana for the IDEA high-tech education center;
- \* \$800,000 to San Diego, for final construction of San Diego's Children's Convalescent Hospital;
- \* \$193,500 to the town of Yucca Valley for community regional park improvements;
- \* \$430,000 to Riverside, for the Goeske Center for Senior and Disabled Citizens;
- \* \$215,000 to Escondido, for the Quail Hills Development Program;
- \* \$43,000 to the County of San Bernardino for roadway signage improvements to historic Route 66 between Topock and Victorville;
- \* \$301,000 to Redlands for infrastructure activities related to the Redlands Community Center;
- \* \$430,000 to the VA Greater Los Angeles Health Care System for renovation of the gymnasium on the Sepulveda campus;
- \* \$438,600 to the Children's Hospital and Health Center in San Diego for construction and infrastructure improvements;
- \* \$64,500 to the Twentynine Palms Fire Department for fire suppression equipment;
- \* \$430,000 to Redding for Stillwater Industrial Park within the Shasta Metro Enterprise Zone "Distressed Community";
- \* \$430,000 to Kern County for infrastructure work for the new air terminal to Meadows Field;
- \* \$415,000 to Temecula, for the Alternatives to Domestic Violence Shelter;
- \* \$21,500 to Redlands for restoration projects at the historic Kimberly Crest House and Gardens;
- \* \$645,000 to the Cities of El Segundo, Manhattan Beach and Hawthorne, to ease traffic congestion along the Rosecrans corridor;
- \* \$344,000 to the San Diego Youth and Community Services for the Storefront emergency shelter relocation of facilities (\$172,000) and for the Take Wing transitional housing program for at-risk youth and families (\$172,000);
- \* \$430,000 to restore and rehabilitate Mile Square Park;
- \* \$860,000 to Citrus Heights for Phase II of the Sunrise MarketPlace Revitalization project;
- \* \$215,000 to El Monte for renovation of recreational facility by replacing swimming pools, modernizing parking areas, developing youth center;
- \* \$130,000 to El Rio for extension of water and wastewater infrastructure to the community center gymnasium;
- \* \$300,000 to Santa Paula for the purchase of new fire engine and equipment for the Fire Department;
- \* \$430,000 to Coachella for construction of Boys and Girls Club facility;
- \* \$215,000 to the County of San Bernardino for a public park complex to meet the recreational needs of the Spring Valley Lake community in Victorville;
- \* \$415,000 to Oceanside for the Calle Montecito Neighborhood Center;
- \* \$430,000 to Sacramento County for rehabilitation and preservation of historic structures and physical improvements for the town of Locke;
- \* \$172,000 to the County of Inyo for facility and infrastructure improvements at the Bishop Airport to facilitate economic development and recreational access;
- \* \$258,000 to the Fund for the Preservation of the California State Mining and Mineral Museum;
- \* \$77,400 to the City of Imperial Beach for lands purchased by the city for the Tijuana Wildlife Refuge;
- \* \$86,000 to Vista Optimist Club for the Youth Activities Facility to build lighted ballfields;
- \* \$860,000 to Pasadena for construction of a new fire station;
- \* \$270,000 to the County of San Bernardino for the construction of the Hall of Paleontology the San Bernardino County Museum;
- \* \$430,000 to California State University and the City of Omaha, California for the Omaha Housing Initiative;

- \* \$645,000 to the University of Southern California to help create the Alfred E. Mann Institute and Biomedical Engineering Center;
- \* \$430,000 to Monrovia for the renovation and upgrade of an existing city facility into teen center;
- \* \$150,000 to Marin City for a Marin City Cultural and Community Center facility;
- \* \$200,000 to the Sacramento Housing and Redevelopment Agency for the Smart Workplace Demonstration Center;
- \* \$400,000 to the City of Salinas for the construction of a municipal pool;
- \* \$50,000 to the City of Thousand Oaks for planning and construction of a child care center;
- \* \$50,000 to the Cambria Historical Society for the preservation of the Bianchini House;
- \* \$100,000 to the Fresno Community Medical Center for the development of a regional trauma and burn center;
- \* \$250,000 to the Los Angeles Neighborhood Initiative for economic development efforts in the Fairfax Avenue Ethiopian Business District;
- \* \$250,000 to Culver City for the construction of the Culver City Senior Center;
- \* \$200,000 to the Sacramento Boys and Girls Club for the construction of a facility on Lemon Hill Avenue;
- \* \$50,000 to the City of Norwalk for renovations at the Norwalk Aquatic Center;
- \* \$50,000 to the Tri-Valley Business Council in Livermore for a business incubator initiative known as Tri-Valley Technology Enterprise Center;
- \* \$500,000 to the Center for Economic Development at the University of San Francisco, for economic development efforts;
- \* \$250,000 to Santa Monica College in Santa Monica for the Madison Site Theater Center;
- \* \$225,000 to the City of Los Angeles for construction of the Ernest E. Debs Nature Center;
- \* \$100,000 to the Little Tokyo Service Community Center in Los Angeles for the development of a job training program;
- \* \$50,000 to the County of San Diego for planning for developing a business park in East Otay Mesa;
- \* \$200,000 to the City of East Palo Alto for the redevelopment of the Ravenswood Industrial Area;
- \* \$50,000 to the City of Garden Grove for the planning and construction of the West Haven Park Community Center;
- \* \$100,000 to the City of San Leandro for landslide mitigation efforts;
- \* \$250,000 to the Brotherhood Crusade Business Development and Capital Fund in Los Angeles for facility infrastructure needs and/or technical assistance and loans to small businesses;
- \* \$250,000 to the Huntington Park Oldtimers Foundation for the rehabilitation of a senior center;
- \* \$100,000 to the Martin Luther King Freedom Center in Oakland for planning and development;
- \* \$200,000 to the Daniel Freeman Hospital in Inglewood for community health outreach to the uninsured and medically underserved;
- \* \$400,000 to U.C. Merced to renovate of the civil engineering building on Castle Air Force Base.

#### Other HUD Provisions

The conference report also includes \$258 million for carrying out the Housing Opportunities for Persons with AIDS program (HOPWA), as authorized by the AIDS Housing Opportunity Act.

It also includes new language reprogramming \$1,000,000 for the City of Loma Linda for infrastructure improvements at Redlands Boulevard and California Streets, for infrastructure improvements in the city related to Mountain View Bridge.

The bill also extends the Community Development Block Grant (CDBG) social services cap for the City of Los Angeles.

### **Department of Veterans Affairs**

The conferees encourage the Department to work with California as the state applies for a state cemetery grant.

### **Federal Emergency Management Agency**

The Federal Emergency Management Agency (FEMA) is funded at \$2.2 billion for disaster relief, of which \$1.3 billion are emergency funds.

The conference report also includes the following language on disaster insurance for public and non-profit buildings: "The conferees are not in agreement with regard to the issue of insurance requirements for public and non-profit buildings. While the goal of reducing Federal costs associated with natural disasters is shared by the conferees, there is not agreement on the best way to achieve that goal. The House continues to believe that FEMA must ensure that the concerns of all interested parties are taken into consideration and that a detailed cost-benefit analysis must be completed prior to finalizing any rule in this regard. The Senate continues to believe that all relevant information is in hand and that a final rule should be promulgated expeditiously. The conferees acknowledge their inability to resolve this issue and urge the Congress to address this issue as part of a comprehensive legislative package."

### **Corporation for National Service**

Within a \$458 million appropriation for national and community service programs, the conference agreement adds \$3 million to the national civilian community corps (NCCC) account to cover the additional costs of relocating a campus site in San Diego and to administer a program level of 1,100 members, which would match its fiscal year 1998 level. The bill states that the "conferees understand that the number of campuses would remain at the current level of five sites."

### **Environmental Protection Agency**

#### **EPA Science and Technology**

Within EPA's Science and Technology accounts, the conference report appropriates \$696 million for science and technology, an increase from \$650 million as proposed by the House and \$670 million as proposed by the Senate. Among a variety of budget increases, the report calls for \$1 million 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.

#### **EPA Environmental Programs and Management**

The EPA's Environmental Programs and Management accounts will receive \$2.09 billion, a boost from the \$2 billion proposed by the House and the \$1.9 billion proposed by the Senate. Within these funds are:

- \* \$500,000 to Riverside County for the Community and Environmental Transportation Acceptability Process (CETAP);
- \* \$150,000 for the Santa Clara River Enhancement and Management Plan;
- \* \$450,000 to Ventura County for continued development of the Calleguas Creek Watershed management plan;
- \* \$1,200,000 to Gateway Cities, Council of Governments in California to complete Phase II of the Truck Impacted Intersections Program and develop the comprehensive Diesel Emissions Reduction Program;
- \* \$900,000 for continuation of the Sacramento River Toxic Pollution Control Project;

- \* \$450,000 for the Water Resources Institute at California State University, San Bernardino to develop and maintain an information repository of water-related research and conflict resolution; and
- \* \$600,000 for the San Bernardino Municipal Water District for research and design of a mitigation project addressing the City's contaminated high groundwater table and dangers presented by liquefaction.

Also, within report language on EPA, the conference report states, "The EPA has proposed to redesignate the San Joaquin Valley Ozone Nonattainment area from 'serious' to 'severe' nonattainment. The conferees note that the East Kern County portion of this area is geographically separated from the San Joaquin Valley air basin and in itself may not warrant a reclassification and may not contribute to the ozone nonattainment in the San Joaquin Valley. The conferees also note that within the East Kern County area are two defense installations pursuing vital defense programs and a NASA laboratory conducting advanced aerospace research which could be hampered seriously by reclassification. In view of this the Administrator is strongly encouraged to exclude the East Kern County area from the San Joaquin area redesignation.

"The conferees continue to be concerned with EPA's chosen preferred alternative for constructing secondary treatment facilities at the USIWTP near San Diego. The conferees are aware of EPA's request to raise the existing cap on construction spending at the IWTP in order to build 25 mgd of secondary ponds at the IWTP with previously appropriated monies in the BEIF. The conferees are also aware of the significant concerns which exist regarding the limited capacity of EPA's preferred alternative, the lack of available land on which future capacity could be constructed, and its inadequacy in addressing increasing future cross-border sewage flows in the region. Finally, the conferees note there is at least one private sector proposal to construct in Mexico similar secondary facilities which would have considerably greater potential capacity better suited to the long term sewage treatment needs of the rapidly growing border region.

"The conferees are encouraged by the progress of separate authorizing legislation now pending before the Congress which would facilitate such a proposal, as well as the growing level of documented support for such a proposal by Mexican leaders. The conferees thus continue to believe that it would be inappropriate to lift the cap at this time or to permit construction of a limited capacity secondary treatment facility at the IWTP which would not meet long-term sewage treatment needs. The conferees urge EPA to continue working with the IBWC, State Department, and its counterparts in Mexico to encourage and develop such a viable proposal in a timely manner."

#### EPA Water & Wastewater Treatment

The conference agreement provides \$335.7 million to communities or other entities for construction of water and wastewater treatment facilities and for groundwater protection infrastructure, funds which are to be accompanied by a cost-share requirement whereby 45 percent of a project's cost is to be the responsibility of the community or entity. Within these funds are 20 projects in California, including:

- \* \$2,000,000 to San Diego for the Coastal Low Flow Storm Drain Diversion Project.
- \* \$1,500,000 to the Mission Springs Water District to protect groundwater in the City of Desert Hot Springs.
- \* \$2,650,000 to Olivenhain Municipal Water District for continued construction of a water treatment plant.
- \* \$1,000,000 for the Cutler-Orosi Wastewater Joint Powers Authority for a wastewater treatment plant serving Cutler, Orosi, East Orosi, and Sultana.
- \* \$1,000,000 for wastewater infrastructure improvements at the Placer County Subregional Wastewater Treatment Plant.

- \* \$1,900,000 to the Metropolitan Water District of Southern California for the Desalination Research and Innovation Partnership.
- \* \$1,500,000 to Lomita, to upgrade water reservoir infrastructure.
- \* \$600,000 for the continuation of a water reuse nitrate treatment demonstration project in Yucca Valley.
- \* \$500,000 for continuation of water infrastructure improvements in Twentynine Palms.
- \* \$850,000 for the continuation of water infrastructure improvements in the Yucaipa Valley Water District in Yucaipa.
- \* \$1,300,000 for the Lower Owens River Project in Inyo County, (\$900,000) and in the City of Los Angeles (\$400,000).
- \* \$500,000 for storm and wastewater drainage and infrastructure improvements in the City of Yucaipa.
- \* \$1,000,000 to San Clemente for the storm drainage management and pilot program implementation.
- \* \$1,750,000 to Carlsbad for the Encina Basin Recycled Water System.
- \* \$1,000,000 to San Joaquin County to rehabilitate water, sewer, storm drains, and surface infrastructure in East Stockton.
- \* \$1,250,000 to Huntington Beach for wastewater and sewer infrastructure improvements.
- \* \$1,000,000 for the City of Sacramento combined sewer overflow project.
- \* \$1,000,000 for the City of Vallejo for a sanitary sewer system at Mare Island.
- \* \$100,000 for wastewater and groundwater infrastructure improvements in Murrieta.
- \* \$500,000 for Eureka for work on the Martin Slough Interceptor.

### **National Aeronautics and Space Administration**

In report language, the conferees adopted Senate language requiring NASA to “articulate a comprehensive agenda and strategy through a strategic plan for each of NASA's primary centers that links staffing, funding resources, mission activities and core competencies in a manner that will ensure each primary center will be vested with specific responsibilities and activities.” The first such annual report is required to be delivered to the Appropriations Committees on July 31, 2001. California is home to several key NASA facilities, including the Jet Propulsion Laboratory at Caltech in Pasadena, the NASA Ames Research Center in Sunnyvale, and the Dryden Flight Research Center in Palmdale. Later, the bill calls for a 10-year plan for all research efforts related to the International Space Station by April 15, 2001.

The bill appropriates \$5.463 billion for Human Space Flight rather than \$5.472 billion as had been proposed by the House and \$5.4 billion as proposed by the Senate. These accounts include most of the activity of the International Space Station and the Space Shuttle.

The \$6.19 billion for science, aeronautics and technology represents a significant boost from both the House-proposed figure of \$5.58 billion and the Senate-proposed \$5.84 billion, and it is \$261 million above the President's budget request. Within these accounts are \$2.51 billion for space science, \$317 million for life and microgravity sciences, \$1.49 billion for earth sciences, \$1.25 billion for aerospace technology, \$529 million for space operations, and \$134 million for academic programs.

Within the space sciences account, the bill provides an increase of \$1 million for the Chabot Observatory and Science Center in Oakland. In life and microgravity sciences, an increase of \$5 million is provided for the Space Radiation program at Loma Linda University Hospital. And within funds for academic programs, the conference reports provides \$3 million for continued academic and infrastructure needs related to the computer sciences, mathematics and physics building at the University of Redlands, \$1 million for equipment needs at the University of San Diego Science and Education Outreach Center,

\$1.5 million for the Santa Ana College Space Education Center, and \$1 million for the Environmental Sciences Learning Center (part of the California Science Center) in Los Angeles.

### **National Science Foundation**

The VA-HUD conference report appropriates \$3.35 billion for research and related activities at NSF, an increase from both the House-proposed level of \$3.12 billion and the Senate-proposed level of \$3.25 billion.

Likewise, the bill increases funding to \$121.6 million for major research equipment (MRE) at NSF instead of \$76.6 million proposed by the House and \$109.1 million proposed by the Senate. While the conferees did not approve funding for two new starts for fiscal year 2001 under major research equipment, the U.S. Array and San Andreas Fault Observatory at Depth, and the National Ecological Observatory Network, they noted that this was due solely to budget constraints. The report states that the “decision was made without prejudice and does not reflect on the quality of research proposed to be developed through these two programs.”

The bill provides \$787 million for education and human resources, up from the House figure of \$694 million and the Senate level of \$765 million.

### **General Provisions**

The conference report modifies language which had been proposed by the House and was stricken by the Senate prohibiting the use of funds for the designation of any area as an ozone nonattainment area. The conferees agreed to limit the prohibition until the Supreme Court rules on this issue or June 15, 2001, whichever comes first.

The bill includes language encouraging the use of E-Commerce as a cost effective and efficient method of purchasing needed products in a timely, paperless manner from qualified vendors, adding “the conferees encourage open, non-proprietary, Internet access to conduct E-Commerce as the use of proprietary software in services can diminish the net value of E-Commerce and limit choices by the customer. The conferees note that the use of E-Commerce is in harmony with the goals of the Federal Acquisition and Streamlining Act of 1994 and will enhance government purchasing efficiency.”

Report language also allows for insurance, indemnification, and liability protection for experimental aerospace vehicle developers through December 31, 2001.