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SPECIAL REPORT: House FY2007 Science, State, Justice, Commerce Appropriations and California Implications - July 2006

On Wednesday, June 14, 2006, by a vote of 406 to 22, the House passed the Transportation-Treasury-HUD-Judiciary-D.C. spending bill (H.R. 5576). Discretionary spending increased by \$3.7 billion from fiscal year (FY) 2006 to reach \$67.8 billion, slightly more than the President requested. The total appropriation came in at \$131.1 billion, an \$8.5 billion increase from FY 2006.

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

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

The Federal Aviation Administration (FAA) is responsible for the safety and development of civil aviation and the evolution of a national system of airports. The House appropriations bill makes a total appropriation of \$15.2 billion for FY 2007 FAA operations, facilities, grants and research and other activities, roughly \$1.4 billion more than the levels appropriated in the 2006 appropriations measure. FAA funding is broken down as follows:

- \$8.36 billion Operations
- \$3.1 billion Facilities and Equipment
- \$134 million Research, Engineering and Development
- \$4.17 billion Grants in Aid for Airports

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Terminal Air Traffic Control ([ATCT]/TRACON) Facilities Replacement Program

Under facilities and equipment appropriations, \$2 million is provided in an earmark to support a project at Palm Springs International Airport.

Airport Improvement Program

Californian earmarks provided through this program include:

- Lincoln Regional Airport Departure Building, \$350,000
- Sacramento County Airport System Master Plan, \$300,000
- San Jose International Airport Guard Lights, \$400,000

Federal Highway Administration

The House bill appropriates \$39.1 billion in obligations for the administration and operation of the Federal Highway Administration (FHWA) in FY 2007, as set by SAFETEA-LU. This is equal to the President's request and a \$3.5 billion increase over FY 2006's enacted level. Of the Federal formula grants for Highway Planning and Construction, the White House's Office of Management and Budget estimates that \$3.1 billion, or 8.8 percent, will go to California.

Transportation Research

The House bill provides \$429,800,000 to carry out transportation research projects, including intelligent transportation programs, surface transportation research, university transportation research, technology deployment, and appropriate training and education.

Ferry Boats and Ferry Terminal Facilities

Within funds made available to support ferry costs, \$750,000 is provided for the Berkeley/Albany Ferry Service and \$1,750,000 is provided for the Vallejo Baylink Ferry Intermodal Facility.

Transportation and Community and System Preservation Program

Of funds provided for this program, California earmarks totaling \$24,140,000 were contained in the House bill:

- Agoura Road Widening, \$400,000
- Agri-Center Interchange, Tulare, \$250,000
- Airport Boulevard Highway 101 Interchange, Monterey, \$250,000
- Alameda Corridor East, San Gabriel Valley, \$1,500,000
- Almaden Expressway Pedestrian Improvement Project, \$300,000
- Avenue P Rancho Vista Boulevard Improvements, Palmdale, \$500,000
- Bay Ridge Trail Bike and Pedestrian Path, \$300,000
- Bay Road Stormwater Improvements, East Palo Alto, \$200,000
- Blossom Hill/Monterey Grade Crossing, \$200,000
- Bristol Street Widening, Orange County, \$350,000
- Campus Parkway, Merced, \$400,000
- Central Expressway Auxiliary Lanes, Santa Clara County, \$300,000
- Chinatown Streetscape, Los Angeles, \$200,000
- City of Rio Vista Highway 12 Safety Project, \$250,000
- Dorsey Drive Interchange in Grass Valley, \$500,000
- East 14th Street Streetscape Improvements San Leandro, \$200,000

Echo Park Streetscape and Safety Improvements, Los Angeles, \$250,000
Eidinger Corridor Improvements, Huntington Beach, \$250,000
Exposition Line Crenshaw Crossing Station District, \$400,000
Figueroa Boulevard Streetscape, Highland Park, \$200,000
Grade Separations in Riverside County, \$500,000
Highway 37 On/Off Ramp, Vallejo, \$200,000
I-210 Soundwall, La Canada Flintridge, \$500,000
I-215/University Interchange, San Bernardino, \$500,000
I-5 Consortium Cities Joint Powers Authority, \$750,000
I-710 Corridor/Gerald Desmond Bridge Gateway Program, \$750,000
Imperial Avenue Corridor Master Plan, \$300,000
Improve US Highway 199 at Gasquet in Del Norte County, \$80,000
Interchange at SR 210/McKinley Avenue, \$750,000
Lincoln Bypass on SR 65 in Placer County, \$1,000,000
Marin-Sonoma Narrows Highway 101, \$300,000
Monterey Bay Sanctuary Scenic Trail, Monterey, \$500,000
North Hollywood streetscape enhancements, \$300,000
Otay Mesa Port of Entry, \$150,000
Park Place Extension and Railroad Grade Separation, Los Angeles, \$500,000
Park Street Streetscape Improvements, Alameda, \$300,000
Pico Rivera SR 19/Slauson Avenue Intersection, \$400,000
Ranchero Road Underpass/Corridor Project, \$1,250,000
San Fernando Valley Streetlight Enhancements, \$500,000
San Gabriel Valley Gold Line Foothill Extension, \$500,000
Santa Anita and Fern-Elliot Signal Improvements, South El Monte, \$160,000
Santa Clara County Montague Expressway, \$500,000
Santa Rosa Intelligent Transportation System, \$200,000
SFgo Market Street Improvements, \$200,000
Sierra College Blvd Interchange in Rocklin, \$500,000
Signal Improvements, Huntington Park, \$200,000
Soundwall Improvements, Rosemead, \$100,000
South La Brea Avenue and Imperial Highway Roadway, \$300,000
State Route 180, Improvements, \$500,000
State Route 4 Widening (Brentwood Boulevard), \$500,000
State Route 52 East/West Improvements, San Diego, \$500,000
State Route 60/Potrero Road Interchange, Beaumont, \$500,000
State Route 76 San Diego, \$500,000
Traffic Signal Modernization, Lakewood, \$250,000
Ventura County Farm Crossings, \$500,000
Walerga Road Bridge Project in Roseville, \$500,000
Widening and Improvements, I-405, \$250,000
Yucca Loma Bridge/I-15 Congestion Relief Project, \$750,000

Federal Lands

A number of California projects are financed under this program, including:

Doyle Drive Replacement, Golden Gate Bridge Access, \$4,000,000
Fort Baker Park Access and Transportation Improvements, \$300,000
Golden Gate NRA Park Access and Trails, \$1,000,000
Needles Highway, San Bernardino County, \$1,000,000

Interstate Maintenance Discretionary

Within funds made available to support IM projects, a number of California earmarks are included:

- I-10 Grove Avenue, Ontario, \$750,000
- I-10 Ramon Road/Bob Hope Interchange, \$500,000
- I-15 Base Line Road Interchange, Rancho Cucamonga, \$750,000
- I-205 and MacArthur Interchange Improvements, Tracy, \$1,250,000
- I-5 and Ortega Highway (SR74) Interchange Reconstruction, San Juan Capistrano, \$750,000
- I-5/Cosumnes River Boulevard Extension, \$1,000,000
- I-5/Lousie Avenue Interchange Improvements, \$400,000

Federal Motor Carrier Safety Administration

This program focuses on improving the safety of commercial vehicle operations in the nation's highways. Safety regulations and other activities are enforced to reduce the number of injuries and fatalities due to truck accidents. FMCSA was broadened by the USA PATRIOT act to include security enhancements, such as requiring Mexican trucks traveling in the country to comply with U.S. safety regulations. The House bill recommends \$517 million for FMCSA programs. Of that, \$223 million is for FMCSA operations and research programs, \$10 million more than enacted in FY 2006. The remaining \$294 million is for grants to states for their safety activities, \$12 million more than the 2006 appropriation.

Border Enforcement Program

Beginning in FY 2002, Appropriations Acts have funded border enforcement and safety related activities associated with implementation of NAFTA, and activities associated with permitting of hazardous materials. Total funding for motor carrier safety border enforcement is set at \$32 million, according to the House spending plan.

National Highway Traffic Safety Administration

The House report provides \$821 million for NHTSA, the federal agency tasked with overseeing and conducting research on highway safety on roads and in vehicles. Funding will be split with \$588 million directed to support highway traffic safety grants to states, and \$230 million to finance highway traffic safety activities (the remainder going to the National Drive Register). The total level of spending is recommended at a level that is \$15 million higher than that enacted for 2006.

Federal Railroad Administration

The House bill provides \$1.3 billion for the operations and administration of the FRA which is responsible for railroad industry practices and management, as well as high speed transit and Amtrak. No earmarks were contained for California.

National Railroad Passenger Corporation (AMTRAK)

Amtrak, the nation's major passenger rail service has lost money in every year of its operation since 1971. It escaped bankruptcy in 2003, although it currently services an annual debt of \$300,000,000.

The bill provides \$1.1 billion for Amtrak and includes significant financial and management reforms. The bill mandates that Amtrak reduce its operating subsidy which includes finding savings in food and beverage service, and first class service. Amtrak also would again be barred from marketing ticket discounts of more than 50 percent in peak hours. In addition, the DOT Inspector General is required to report back regularly to Congress on Amtrak's progress on financial reforms.

Federal Transit Administration

The House report provides a little over \$7.3 billion to finance FTA activities for FY2007. FTA support is structured according to the SAFETEA-LU transportation authorization law that funds different accounts entirely from either the General Fund or the Highway Trust Fund (HTF). Earmarks for California come in at \$134,845,388.

Formula Grants

This bill provide a total transit formula and bus grant budget of \$7,262,775,000 to be split among all formula programs (including Fixed Guideway Modernization grants and the bus discretionary program). A new administrative provision that allows FTA to provide grants for 100 percent of the net capital cost of a factory-installed or retrofitted hybrid electric bus system has been included.

California formula grants are unavailable at this time. However, the following California Bus and Bus Facilities earmarks are identified in report language:

Anaheim Regional Transportation Intermodal Center, Orange County, \$400,000
Beach Cities Transit Coastal Shuttle Capital Equipment, \$500,000
City of Modesto Bus Maintenance Facility, \$1,200,000
City of Santa Maria Intermodal Transit Center, \$300,000
Clean-Air Buses for Cerritos, \$300,000
County Facility Construction Project, \$300,000
East County Bus Maintenance Facility, El Cajon, \$1,500,000
East Los Angeles College Busway, Monterey Park, \$150,000
Eastern Contra Costa County Park and Ride Lots, \$400,000
Ed Roberts Campus, Berkeley, \$550,000
Expand and Improve Yolo Bus Operations, Yolo County, \$200,000
Fairfield/Vacaville Intermodal Station, \$550,000
Fairfield/Vacaville Intermodal Station, \$300,000
Foothill Transit, San Gabriel Valley, \$2,000,000
Humboldt Transit Authority Maintenance Facility, \$400,000
LACMTA, La Cienega Intermodal Transfer Facility, \$400,000
LAMTA Paratransit Services, \$250,000
Los Angeles Southwest College Bus Shelter, \$450,000
Monrovia Transit Village, \$500,000
Monterey Salinas Transit, Monterey, \$500,000
MTOC Bus and Bus Facility Project, \$2,700,000
Northridge Transit Center, Northridge, Los Angeles County, \$500,000
Orange Line Safety Improvements, Los Angeles, Los Angeles County, \$500,000
Pacific Station Multimodal Center, Santa Cruz, \$500,000

Placerville Station II, \$350,000
Regional Bus Replacement, San Diego County, \$450,000
Rio Hondo College Public Transit Pilot Program, \$250,000
Riverside and Corona Transit Centers, \$1,250,000
Riverside Transit Agency Bus Stop Upgrades, \$250,000
SamTrans Revenue Collection System, \$500,000
San Francisco MTA Bus and Bus Facility Upgrades, \$3,000,000
San Luis Rey Transit Center, \$500,000
Senior Transit Bus, South El Monte, \$80,000
South Coast Area Transit Bus Facility Construction, \$200,000
South Coast Area Transit Bus Replacement, \$200,000
Street Shuttle Buses for Artesia, \$200,000
Sunline Transit Agency Bus Replacement, \$500,000
Transit Center Parking Structure, Baldwin Park, \$150,000
Union City Intermodal Station, Union City, \$400,000
Yosemite Regional Area Transportation System, \$300,000

This bill provides \$571,878,399 to meet the Federal cost share mandated by full funding grant agreements already in existence, and authorized by SAFETEA-LU. The following are those projects that are in California:

Metro Gold Line Eastside Extension, \$100,000,000
Mission Valley East LRT Extension, \$806,654
Oceanside-Escondido Rail Corridor, \$684, 040
BART Extension to San Francisco Airport, \$2,424,694
CALSTART/WestStart Advanced Transit Technology, \$2,000,000

THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

The Department of Housing is budgeted \$35.3 billion under the House plan; almost \$1.7 billion in excess of the FY 2006 appropriated amount, and \$1.3 billion above the President's budget recommendation.

Tenant-Based/Project-Based Rental Assistance

The House funds the Tenant-Based Rental Assistance (Section 8 vouchers) at \$15.9 billion, which is \$458 million over FY 2006 funding levels and \$44 million below the President's budget request. Section 8 funds pay for Vouchers, Moderate Rehabilitation, Loan Management, Property Disposition, New Construction/Substantial Rehabilitation, and Preservation contracts and makes up 45% of HUD'S budget. The White House's Office of Management and Budget (OMB) estimated that at this level of funding California would receive \$2.9 billion, or 18.5 percent, of these Federal formula grants.

Project-Based Rental Assistance (project-based contracts) is funded at \$5.5 billion, \$438 million above last year and \$200 million below the request. Along with recaptures from expiring contracts this fully funds all contracts.

Public Housing Capital Fund

The Public Housing Capital Fund provides funding for public housing capital programs, including public housing development and modernization. The House recommends a total

funding level of \$2.2 billion, a decrease of \$260 million below the FY 2006 enacted level and the same as the budget request. OMB estimates that California would receive \$88 million, or 4 percent, of these Federal formula funds.

Public Housing Operating Fund

The Public Housing Operating Fund subsidizes the costs associated with operating and maintaining public housing. This bill recommends \$3.5 billion for the Federal share of PHA operating expenses. This amount is the same as both the amount enacted for FY 2006 and the budget request. OMB estimates that California would receive \$99 million, or 2.77 percent, of these Federal formula grants.

Revitalization of Severely Distressed Public Housing (HOPE VI)

The Revitalization of Severely Distressed Public Housing program, also known as HOPE VI, provides competitive grants to public housing authorities to revitalize entire neighborhoods adversely impacted by the presence of badly deteriorated public housing projects. The funding for this program has been eliminated as requested by the Presidents budget. The Committee stated that, "although 10 years have been an important demonstration period, the per-unit cost of the program is too high, relative to alternatives, to be sustained over the long-run."

Native American Housing Block Grant

The House recommends level funding of \$626 million for the Native America Housing Block Grant, which is about a \$2 million increase from the prior year and the same as the President's request. In 2003 when HUD began using the new 2000 Census data HUD shifted the basis for the needs portion of the formula distribution of funds from single-race to multi-race. The Committee continues language from last year instructing HUD to distribute funds on the basis of single race or multi race data which ever is the higher amount for each recipient.

Community Planning and Development - Housing Opportunities for Persons With AIDS (HOPWA)

The bill allocates level funding of \$300 million for HOPWA, which is the same as the budget request and \$4 million above FY 2006. Within the total amount provided, \$1,485,000 is for technical assistance, training and oversight as requested and \$1,485,000 is transferred to the Working Capital Fund. With the funds provided, the Department should continue to give priority to creating new housing opportunities for persons with AIDS.

Community Development Fund

The House bill funds the Community Development Fund (which feeds the Community Development Block Grant (CDBG)) at \$4.2 billion, a decrease of \$11.5 billion from the amount provided in FY 2006 and an increase of \$1.1 billion to the President's budget request. The Committee explained the massive reduction by saying, "the Administration has justified the proposed reduced funding level relative to fiscal year 2006 as part of a reform of the program to be coupled with a change to the formula for distributing funds. Yet despite months of lead time prior to the submission of the Administration's budget request, it has failed to deliver a reform proposal in time to be considered and acted on by the relevant committees of jurisdiction." Beginning in FY 2007, Economic Development Initiative and Neighborhood Initiative funds awarded to grantees are to be matched by 40 percent in funding by each grantee.

The Committee directed HUD to implement the Economic Development Initiative program in California as follows:

\$500,000 to the Tri-Valley Housing Opportunity Center in Livermore, California for capitalization of a loan fund.

\$300,000 to the Housing Trust of Santa Clara County, Inc., California for capitalization of loan funds for a homebuyer assistance program.

\$100,000 to the City of Livermore, California for capitalization of a housing loan fund.

\$150,000 to San Diego County, California for planning and design, construction, renovation and build out of facilities at Camp Lockett.

\$80,000 to the Boys and Girls Club of San Bernardino, California for renovation and build out of the Delman Heights Community Center.

\$1,000,000 to the City and County of San Francisco, California for demolition of structures, planning and design, and construction of new housing.

\$550,000 to City College of San Francisco, California for planning and design, construction and build out of a multipurpose facility.

\$500,000 to the City of Banning, California for renovations to the city-owned pool.

\$500,000 to the City of Desert Hot Springs, California for infrastructure improvements to a new community center.

\$500,000 to the City of Yucaupa, California for the design and construction of a multipurpose athletic facility at Crafton Hills College.

\$500,000 to the Japanese Community Youth Council, San Francisco, California for construction, renovation and build out of a community center.

\$400,000 to the City of Oroville, California for the construction and development of Memorial Park.

\$400,000 to El Dorado County, California for infrastructure improvements to the Rubicon Trail.

\$350,000 to the City of Highland, California for the restoration of the First Bank of Highland building for use as a museum.

\$300,000 to the Los Angeles Gay and Lesbian Center, California for construction, expansion, renovation, and build out of a multipurpose facility.

\$250,000 to the California Lutheran University in Ventura, California for the renovation and build out of the biomedical institute.

\$250,000 to the East County Family YMCA in San Diego, California for the construction of the McGrath Family YMCA in East County San Diego.

\$250,000 to San Mateo County Human Services Agency, California for acquisition, renovation and build out of affordable housing.

\$250,000 to the Diamond Bar High School in Diamond Bar, California for renovations to the Diamond Bar High School Community Sports Field.

\$250,000 to the County of Fresno, California for the construction of a vocational training facility in Mendota, California.

\$250,000 to the City of Huntington Beach, California for the planning and construction of a senior center.

\$200,000 to the Sacramento Food Bank and Family Services, California for construction and build out of a multipurpose facility.

\$150,000 to the City of Santa Maria, California for construction, renovation, and build out of a library.

\$150,000 to the San Diego Housing Commission, San Diego, California for construction, renovation, and build out of affordable housing units.

\$150,000 to the Wattstar Theatre and Education Center, in the Los Angeles Federal Empowerment Zone, California for planning and design and construction of a multipurpose facility.

\$150,000 to the City of La Puente, California for planning and design and construction of a nature education center for children.

\$150,000 to the Jewish Home for the Aging in Reseda, California for renovation and build out of a multipurpose facility.

\$150,000 to the City of Woodland, California for planning and design and construction of a multipurpose facility.

\$150,000 to US Vets, in Inglewood, California for renovation and build out of a multipurpose facility.

\$150,000 to the Western States Black Research and Educational Center, California for renovation and build out of a multipurpose facility.

\$100,000 to the City of Los Angeles, California for improvements to MacArthur Park.

\$100,000 to the Stanislaus Ag Center Foundation, in Modesto, California for planning and design and construction of a science center.

\$100,000 to the Grand Vision Foundation in San Pedro, California for renovation and build out of a historic building.

\$100,000 to the Allen Temple Housing & Economic Development Corp. in Oakland, California for renovation and build out of transitional housing.

\$100,000 to the Children's Discovery Museum of San Jose, California for facility construction, renovation, and build out.

\$100,000 to The Brewery Site, in Watts, California for planning and design, construction, renovation and build out of housing, and industrial park development.

\$100,000 to the Fashion District Business Improvement District, in Los Angeles, California for signage and streetscape improvements.

\$100,000 to the City of Artesia, California for planning and design and construction of a multipurpose facility.

\$100,000 to the Community Action Partnership of Orange County, California for planning and design and construction of a multipurpose facility.

\$100,000 to East San Gabriel Valley Japanese Community Center, California for renovation and build out of a multipurpose facility.

\$100,000 to Marin County, California for planning and design and construction of a community center.

\$100,000 to the Sonoma County Council on Aging Services, California for construction, renovation, and build out of multipurpose facilities.

\$75,000 to the Asian Youth Center of San Gabriel, California for construction, expansion, renovation, and build out of a multipurpose facility.

\$50,000 to the Southeast Rio Vista YMCA, in Los Angeles County, California for renovation and build out of facilities.

\$650,000 to the City of Redding, California for the development of the Stillwater Business Park.

\$250,000 to the City of Los Angeles, California for Valley Plaza area revitalization and streetscape improvements.

\$100,000 to the City of Agoura Hills, California for land acquisition and park improvements.

\$300,000 to the Santa Cruz, California Redevelopment Agency for building renovation and build out, and streetscape improvements.

\$150,000 to the Baldwin Hills Regional Conservation Authority, California for park improvements.

\$100,000 to the City of Alameda, California for streetscape improvements.

The Committee directed HUD to implement a Neighborhood Initiatives program with \$600,000 to Center for Creative Land Recycling in San Francisco, California for technical assistance for land remediation and redevelopment.

HOME Investment Partnership Program

The HOME investment partnerships program uses formula allocations to provide grants to States, units of local government, Indian tribes, and insular areas for the purpose of expanding the supply of affordable housing in the jurisdiction. The House recommends funding of \$1.9 billion, an increase from FY 2006 appropriations by \$159 million and the same as the amount requested in the President's budget. OMB estimates that California would receive \$275 million, or 14 percent, of these Federal formula grants.

Homeless Assistance Grants

The Committee funds the Homeless Assistance Grants at \$1.4 billion, surpassing FY05 enacted grant levels by \$174,489,000 funding levels and \$25 million short of the budget request. The Homeless Assistance Grants are comprised of both formula and competitive grants awarded to states for providing rental assistance, emergency shelter, transitional and permanent housing, and supportive services to homeless persons and families.

Housing for the Elderly

The bill appropriates \$747 million for Housing for the Elderly, the same level as enacted for FY 2006 and \$189 million above the request for fiscal year 2007.

Housing for Persons with Disabilities

The House recommends funding of \$237 million for Housing for Persons with Disabilities, which is the same as the FY 2006 and \$117 million greater than the budget request.