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## **SPECIAL REPORT:**

# **VA-HUD-Independent Agencies Appropriations for FY 2005 (Senate) and California Implications -- *November 2004***

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On September 21, 2004, the Senate Committee on Appropriations reported the fiscal year 2005 appropriations bill for the Departments of Veteran Affairs, Housing and Urban Development, and Independent Agencies, S. 2825. The Committee report is S. Rept. 108-353. The House Appropriations Committee reported its version of the FY05 VA-HUD appropriations bill, HR 5041, on July 22, 2004 (H. Rept. 108-674).

The Senate's bill authorizes \$130.0 billion in new budget authority. The appropriation is \$6.6 billion greater than the FY04 estimated spending level and \$2.6 billion greater than the President's budget request. Of the FY05 total appropriations, \$92.9 billion is discretionary budget authority.

The following represents a quick analysis of the Senate 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 on the California Institute web site at <http://www.calinst.org/pubs/vah05s.htm> and a pdf format version is available at <http://www.calinst.org/pubs/vah05s.pdf>.

### **THE DEPARTMENT OF VETERAN AFFAIRS**

The Committee authorizes \$66.7 billion in spending for the Department of Veteran Affairs, an increase of \$4.6 billion above FY04 comparable spending and \$1.3 billion above the Administration's request. \$33 billion of the funds is discretionary budget authority, an increase of \$2.3 billion over FY04 and \$1.3 million over the budget request.

### **VETERANS BENEFITS ADMINISTRATION**

The Committee recommends funding of \$32.6 billion for compensation and pensions under the Veterans Benefits Administration, which is \$2.8 billion above FY04 funding levels and equal to the President's request.

The Committee specifically identified veterans' medical care funding as a priority and appropriates \$28.3 billion for the Veterans Health Administration, increasing direct funding for Veterans' health by \$1.7 billion over FY04 funding. Under the facilities portion of the Veterans Benefits Administration's budget, California receives funding for four specific VA projects:

- Los Angeles - \$8 million for seismic corrections in Los Angeles;

- San Diego - \$48.6 million for seismic corrections in San Diego;
- San Diego - \$33.2 million for seismic corrections in Menlo Park; and
- San Francisco - \$41.5 million for seismic corrections in San Francisco.

Under the auspices of the National Cemetery Administration, the bill also approves requested funding for the development of the Sacramento, California National Cemetery and recommends design funding for the Riverside, California, and San Joaquin Valley, California, National Cemeteries, and for an annex to Fort Rosecrans, California, National Cemetery at Miramar Marine Corps Air Station.

## **THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

The Committee recommends funding of \$36.4 billion for the Department of Housing and Urban Development (HUD), which is \$1 billion more than FY04 comparable funding and \$698 million above the Administration's request.

### **HOUSING CERTIFICATE FUND/SECTION 8**

The Committee funds the Housing Certificate Fund at \$20.7 billion, which is \$1.5 billion over FY04 funding levels and \$2.3 billion greater than the President's budget request. Within the Housing Certificate Fund, the vast majority of funds go toward Section 8 programs, including tenant-based and project-based rental assistance. Section 8 is the "principle appropriation for Federal housing assistance and provides rental housing assistance to over 3 million families." Section 8 funds pay for Vouchers, Moderate Rehabilitation, Loan Management, Property Disposition, New Construction/Substantial Rehabilitation, and Preservation contracts.

#### **Public Housing Capital Fund**

The Committee funds the Public Housing Capital Fund at \$2.7 billion, which is \$3.7 million above FY04 funding and \$25 million above the budget request.

#### **Public Housing Operating Fund**

The bill recommends funding of \$2.6 billion for the Public Housing Operating Fund, which is nearly \$1 billion below FY04 funding and the President's request. The decrease in funding is due to an accounting measure whereby all Public Housing Authorities (PHA) would convert to a calendar year budget. According to the report, the Public Housing Operating Fund would realize a one-time savings of \$1 billion from the conversion.

#### **Revitalization of Severely Distressed Public Housing (HOPE VI)**

The Committee appropriates \$150 million for HOPE IV programs, which is approximately the same as FY04 funding and \$150 million above the Administration's request. The Committee expresses its disappointment that "the Administration has eliminated HOPE IV without a complete review and without providing adequate alternative authority and funding to address the needs of the remaining PHAs with obsolete units and those with substantial rehabilitation needs."

#### **Native American Housing Block Grant**

The Committee recommends level funding of \$650 million for the Native America Housing Block Grant, which is \$3.2 million above the President's request.

### **Community Planning and Development - Housing Opportunities for Persons With Aids (HOPWA)**

The bill allocates level funding of \$294 million for HOPWA, which is also the same as the budget request.

### **Community Development Fund**

The bill funds the Community Development Fund at \$4.95 billion, which is \$29 million above FY04 comparable funding and \$332 million above the Administration's request. Within the fund, California would receive six direct earmarks totaling \$2.8 million, including:

- Davis - \$350,000 for the City of Davis for the construction of a senior center;
- Inglewood - \$1 million for the City of Inglewood for the construction of a senior center;
- Los Angeles - \$450,000 for the Los Angeles Harbor/Watts Economic Development Corporation for the development of a park and recreation site;
- Sacramento - \$500,000 for the Sacramento Housing and Development Agency for the construction of low-income housing;
- San Francisco - \$250,000 for the City of San Francisco for the Old Mint Redevelopment Project; and
- Stockton - \$250,000 for the City of Stockton for costs associated with construction of the Eldorado Teen Center.

In the House's VA HUD FY05 appropriations bill, under the Community Development Fund, California received 67 direct earmarks totaling \$14.075 million dollars.

### **HOME Investment Partnership Program**

The Committee recommends funding of \$2 billion for HOME Investment Partnership Program, which is \$44 million more than FY04 funding levels and \$34 million less than the budget request.

### **Homeless Assistance Grants**

The Committee funds the Homeless Assistance Grants at \$1.3 billion, which is \$458,000 below FY04 funding levels and \$22.4 million below 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 essentially level funding of \$774 million for Housing for the Elderly, which is nearly identical to the Administration's request.

### **Housing for Persons with Disabilities**

The Committee recommends funding of \$250 million for Housing for Persons with Disabilities, which is \$908,000 greater than FY04 funding and \$1.3 million greater than the budget request.

### **Rental Housing Assistance**

The Committee recommends cancelling \$675 billion in "unused and available contract authority."

## **INDEPENDENT AGENCIES**

### **CORPORATION FOR NATIONAL AND COMMUNITY SERVICE**

The Committee allocates \$590 million for the Corporation for National and Community Service, which is \$9 million above FY04 funding and \$52 million below the President's request.

### **ENVIRONMENTAL PROTECTION AGENCY**

The bill funds the Environmental Protection Agency (EPA) at \$8.5 billion, which is \$134 million above FY04 comparable spending and \$711 million above the Administration's request.

The EPA's budget is divided into separate budget authorities: science and technology, environmental programs and management, and state and tribal assistance grants.

#### **Science and Technology**

The EPA's Science and Technology account is funded at \$758 million, which is \$23 million below FY04 comparable funding and \$69 million above the Administration's request. The account provides "funding for the scientific knowledge and tools necessary to support decisions on preventing, regulating, and abating environmental pollution and to advance the base of understanding on environmental services." California receives one direct earmark from the account, \$700,000 for the City of Rialto for the demonstration of an integrated approach to perchlorate remediation.

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

The EPA's Environmental Programs and Management account is funded at \$2.3 billion, which is \$20 million above FY04 funding levels and \$6.7 million below the budget request. This account "includes the development of environmental standards, monitoring and surveillances of pollution conditions, direct Federal pollution control planning, technical assistance to pollution control agencies and organizations, preparation of environmental impact statements, enforcement and compliance assurance, and assistance to Federal agencies in complying with environmental standards and insuring that their activities have minimal environmental impact." Under this account, California receives 3 earmarks worth \$1.15 million, including:

- Southern California - \$500,000 to the Metropolitan Water District of Southern California for a study of the effectiveness of biological treatment for the removal of perchlorate from groundwater;

- Fresno County - \$250,000 for the Fresno County Council of Governments for a non-point source water quality management program; and

- Ventura County - \$400,000 for the County of Ventura Calleguas Watershed Management Plan.

#### **State and Tribal Assistance Grants**

The EPA's State and Tribal Assistance Grants account is funded at \$3.9 billion, which is \$8.8 million above FY04 funding and \$654 million above the Administration's request. The State and Tribal Assistance Grants account "funds grants to support the State revolving fund programs, State, tribal, regional, and local environmental programs, and special projects to address critical water and waste treatment needs. Within this account, California receives 7 earmarks worth \$2.1 million, including:

- Eureka - \$500,000 for the City of Eureka for the Martin Slough Interceptor Project;

-Inland Empire - \$300,000 for the Inland Empire Perchlorate Task Force for the Wellhead Treatment of Perchlorate Contaminated Wells;

-Laguna Beach - \$400,000 for the City of Laguna Beach for wastewater infrastructure improvements;

-Ontario - \$200,000 for the Metropolitan Water District of Southern California for the City of Ontario Final Design for Wellhead Treatment for Perchlorate and Nitrates;

-San Jose - for the City of San Jose for North San Pedro water and sewer infrastructure improvements;

-Santa Ana - \$400,000 for the City of Santa Ana for East and West Reservoir upgrades; and

-Santa Clara - \$300,000 for the Santa Clara Valley Water District for perchlorate groundwater cleanup.

## **NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

The bill funds the National Aeronautics and Space Administration (NASA) at \$15.6 billion, which is \$201 million above FY04 levels and \$665 million below the President's request. The Committee is "supportive" of the President's new vision for NASA, which includes returning a man to the Moon and eventually Mars, but "has reservations about the low level of details provided in the fiscal year 2005 budget request on how this vision will be accomplished." Funding for NASA is divided between two main accounts, both newly created: Exploration Capabilities and Exploration, Science and Aeronautics.

California continues to receive the lion's share of the nation's space and NASA budget.

### **Exploration Capabilities**

The Committee appropriates \$7.8 billion for Exploration Capabilities, which is \$343 million above FY04 funding levels and \$715 million below the President's request. Exploration Capabilities "provides for the full costs associated with the capabilities that support Agency research, which consist of the Exploration Systems and Space Flight Enterprises." This includes the Space Shuttle and the International Space Station.

### **Exploration, Science and Aeronautics**

The Committee funds the Exploration, Science and Aeronautics account at \$7.7 billion dollars, which is \$146 million below FY04 funding and \$23 million below the Administration's request. The Exploration, Science and Aeronautics account "provides for the full costs associated with the Exploration, Science and Aeronautics activities, which consist of the Space Science, Earth Science, Biological and Physical Research, Aeronautics, and Education Programs." Under the education component of this account, California receives 3 earmarks totaling \$1.75 million, including:

-Glendale: \$250,000 to Glendale Community College for the Cimmarusti Science Center's Teacher Training and Science Education Outreach Program;

-Los Angeles - \$750,000 for Griffith Observatory; and

-Oakland - \$750,000 to the Chabot Space and Science Center in Oakland for The Future for Humans in Space Education Program .

## **NATIONAL SCIENCE FOUNDATION**

The Committee recommends funding of \$5.7 billion for the National Science Foundation, which is \$167 million more than FY04 funding levels and the same as the budget request.