

## Fiscal Year 2009 Appropriations

### APPROPRIATIONS STATUS

#### Senator Reid to Put Spending Bills on Hold Until Next Year

The Senate Majority Leader Reid (D-NV) will leave appropriations bills for the next administration. The only the FY09 bills to be completed this year will be the Defense and military construction measures. All other appropriations bills will be rolled into a continuing resolution lasting into next year. The Senate Appropriations Committee, however, has been instructed to continue marking up bills to make sure they are read to go for inclusion in next year's spending package. This is done in an effort to fight vetoes from the president for exceeding his requested levels.

#### House Appropriations Committee Stalled on Appropriations Bills

All House action on Appropriations bills is under suspended work after Appropriations Chairman Obey's decision to stop progress until the GOP votes on amendments dealing with oil drilling and other domestic energy production. House Democrats are also concerned with the idea that the GOP may offer numerous amendments regarding earmarks in the spending bills. The House panel has approved five of its 12 bills.

[Click here](#) to view a FY09 appropriations status chart provided by the Library of Congress.

## APPROPRIATIONS

### 302(b) Appropriations

■ This table compares House and Senate Appropriations subcommittee spending levels with the President's proposed FY09 budget, and last year's enacted levels.

	Enacted FY08	President FY09	House FY09	Senate FY09
Defense	\$459.33b	\$491.74b	\$487.74b	\$487.74b
Homeland Security	37.562	37.622	39.9	40.077
BioShield		2.175	2.175	2.175
MilCon & Veterans Affairs	63.905	69.346	72.729	73.00
State & Foreign Operations	32.8	38.22	36.62	36.62
Agriculture	18.493	18.744	20.623	20.435
Commerce, Justice, & Science	51.989	53.685	56.858	57.90
Energy & Water	30.888	31.358	33.265	33.258
Financial Services	20.849	22.24	22.39	22.870
Interior & Environment	26.555	25.762	27.867	27.750
Labor, Health, & Education	145.148	145.356	153.121	153.139
Legislative Branch	3.97	4.751	4.404	4.400
Transportation & Housing	48.821	50.624	54.997	53.325
<b>Totals</b>	<b>\$940.31b</b>	<b>\$991.62b</b>	<b>\$1,012.69b</b>	<b>\$1,012.69b</b>

## **TRANSPORTATION**

**(Appropriations bills include Transportation-Housing and Urban Development)**

### **Administration**

The White House's FY09 budget would cut overall discretionary funding for the Transportation Department from this year's projected \$69.2 billion to \$63.4 billion while boosting allocations for some key Federal Aviation Administration air traffic control programs. The spending plan calls for hiring 306 air traffic controllers at a cost of \$11.3 million and for nearly tripling -- to \$688 billion -- funding for the plan to modernize the air traffic control system over the next 15 years from a ground-based to a satellite-based network with greater capability for reducing airport congestion and flight delays. Meanwhile, to guarantee sufficient funding to finish the \$15 billion Next Generation project, the budget -- for the second year -- calls for scrapping the 7.5-percent passenger ticket tax and replacing it with a "market-based" aviation financing system of user fees. The switch is favored by the airlines, which ante up 90 percent of the contributions to the Aviation Trust Fund through the ticket tax, and opposed by owners of corporate jets, who now pay only the jet fuel tax. The budget also calls once again for slashing funding for Amtrak to force it to jettison money-losing long distance lines. Under the spending plan, the federal passenger railroad's funding would drop \$455 million to \$900 million, \$100 million of which would be earmarked for subsidizing state efforts to take over inter-city rail passenger routes. In other cuts, the budget plan would slash funding for the federal bridge rehabilitation program from this year's \$ 5.2 billion to \$4.5 billion. The FY08 figure included \$1 billion added by Congress after last summer's disastrous bridge collapse in Minneapolis. Peters said she believed the \$4.5 billion would be enough to "meet critical needs" as the states proceed with their inventories of bridges to determine which are in need of repair.

### **Senate Appropriations Committee Approves Transportation-HUD Bill**

The Senate Appropriations Committee passed the FY09 Transportation-HUD Appropriations bill out of Committee, which funds the DOT at a level of \$66.8 billion dollars for FY09, \$3.3 billion above the President's request. By comparison, the House passed their T-HUD Appropriations bill at \$66.7 billion. This number includes \$41.2 billion for the highway program, \$1.5 billion for Amtrak, and \$15.5 billion for the FAA. The bill included a patch that would prevent a projected \$3 billion dollar shortfall in part of the Highway Trust Fund (HTF) by transferring more than \$8 billion from the Treasury to the HTF. This would replace what was transferred from the HTF to the general fund in 1998. This was done in an effort to keep the account solvent. Click [HERE](#) for more information on the Senate bill.

Overall, the bill includes funding above President Bush's request for highways, aviation safety, rail safety, airport infrastructure, transit systems, Community Development Block Grants, and the Essential Air Service program. The bill supports expanding homeownership opportunities, increased rental assistance, and neighborhood revitalization through efforts to replace outdated public housing in disrepair with new mixed-income housing.

*The following details Senate Appropriations-approved programs funding as it relates to specific areas important to NARC members.*

### **TITLE I: TRANSPORTATION**

Department of Transportation: \$66.8 billion, \$2.1 billion above the FY 2008 enacted level and \$3.3 billion above the President's request.

- **Federal-Aid Highway Program:** \$41.2 billion, \$1.8 billion more than the President's request and the same as the FY2008 level.
  - The bill transfers \$8.017 billion from the General Fund to the Highway Trust Fund to ensure adequate resources are available to invest in highway infrastructure in 2009 at the levels assumed in the SAFETEA-LU law. The amount transferred is identical to the amount transferred out of the trust fund at the end of 1998.
- **Federal Aviation Administration:** \$15.5 billion, \$590 million above FY 2008, and \$862 million over the President's request.
  - Essential Air Service (EAS) program is undergoing a period of unprecedented uncertainty that makes it extremely difficult to predict what true program costs will be during fiscal year 2009. As such, the Committee has continued to include bill language, as it did in the 2008 Act, that directs the Secretary to transfer to the

EAS program such sums as may be necessary to continue service to all eligible EAS points in fiscal year 2009. These funds, if needed, will be derived from other funds directly administered by, or appropriated to, the Office of the Secretary.

- *Small Community Air Service Development Program [SCASDP]*—Following reports from the Office of the Inspector General that show the SCASDP program provides limited results in improving air service to small communities, the Committee recommends no funding for the program in fiscal year 2009, consistent with the budget request.
- **Federal Railroad Administration:** \$1.816 billion, \$254 million over FY 2008, and \$725 million over the President's request.
  - Amtrak -- \$1.55 Billion, \$225 million above FY 2008, and \$750 million above the President's request. In an era of record gas prices and congested highways, the committee rejects the Administration's irresponsible cuts, and funds Amtrak at a level that reflects the vital role it plays in our national transportation system. Operating assistance is increased to \$550 million which will keep all Amtrak routes operational and ensure the availability of funds for the retroactive wage payments called for under Amtrak's newly-ratified labor contracts. Capital investment in Amtrak is increased to \$1 billion – the highest single-year appropriation to address Amtrak's aging capital plant and rail cars.
  - Capital Grants for Passenger Rail -- The bill also provides \$100 million for capital assistance to States to help spawn state-supported passenger rails services and eliminate hindrances to improved or expanded passenger rail service, including Amtrak.
- **Federal Transit Administration:** \$10.225 billion, \$733 million above FY 2008, and \$90 million above the President's request. Transit provides an essential transportation alternative for commuters and families who are facing record gas prices.
  - Formula and Bus Grants -- \$8.26 billion, \$492 million above FY 2008.
  - New Starts -- The bill funds the New Starts program at \$1.8 billion. This funding level is \$188 million more than the Administration's request and roughly \$240 million more than the level enacted for fiscal year 2008. The New Starts Program invests in new transit systems and service expansions throughout the country.

### House

While the complimentary House Subcommittee disapproved of the White House's plan to transfer money from the Mass Transit Account to the HTF, the Chairman does not believe fixing the HTF was the job of appropriators. The House Appropriations subcommittee has passed its version of the T-HUD bill, but the bill has not been considered by the full Committee. Click [HERE](#) for the House bill summary table or see below.

## Department of Transportation, and Housing and Urban Development and Related Agencies

June 20, 2008  
(funding in millions of dollars)

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### DEPARTMENT OF TRANSPORTATION

Department/Agency	FY 2008 Enacted	FY 2009 Pres. Request	FY 2009 Chairman's Mark	Mark +/- FY 2008 Enacted	Mark +/- FY 2009 Request
<b>Office of the Secretary</b>					
Essential Air Service	125	50	130	+5.00	+80
<b>Federal Aviation Administration</b>					
Operations	8,740	8,998.41	8,995.22	+255.22	-3.24
Facilities & Equipment	2,513.61	2,723.51	2,691.16	+177.55	-32.36
Research, Engineering & Development	146.83	171.03	171.03	+24.2	---
Airport Improvement Program (Obligation Limitation)	3,514.50	2,750	3,514.50	---	+764.5
<b>Federal Highway Administration</b>					
(Obligation Limitation)	40,216.05	39,398.73	40,198.73	-17.32	+800
Contract Authority Rescission	(3,150)	(3,150)	(3,150)	---	---
<b>Federal Motor Carrier Safety Administration</b>					
(Obligation Limitation)	529.65	541	541	+11.35	---
<b>National Highway Traffic Safety Administration</b>					
National Highway Traffic Safety Administration	837.57	851	856.35	+18.78	+5.35
<b>Federal Railroad Administration</b>					
Safety and Operations	150.19	156.75	158.22	+8.03	+1.46
Research and Development	35.96	33.95	33.95	-2.01	---
Rail Line Relocation & Improvement Pgm	20.04	---	25	+4.96	+25
Amtrak - Operating Grant	475	---	589	+114	+589
Amtrak - Capital and Debt Service Grant	850	525	850	---	+325
Capital Assistance to States - Intercity Passenger Rail	30	100	60	+30	-40
<b>Federal Transit Administration</b>					
Administrative Expenses	89.30	94.41	98.50	+9.20	+4.09
Formula and Bus Grants	7,767.89	8,360.57	8,360.57	+592.68	---
Capital Investment Grants	1,569.09	1,620.83	1,809.25	+240.16	+188.42
Research and University Research Centers	65.36	59.60	69.75	+4.38	+10.15
<b>Maritime Accounts</b>					
St. Lawrence Seaway Development Corporation	17.39	31.84	31.84	+14.45	---
Maritime Administration	313.40	313.38	315.37	+1.97	+1.99
<b>Other</b>					
Pipeline and Hazardous Materials Safety Administration	154.46	167.93	167.93	+13.47	---
Research and Innovative Technology Administration	12	12	13.50	+1.50	+1.50
Office of the Inspector General	66.40	70.47	70.47	+4.07	---
Surface Transportation Board	26.33	23.09	26.85	+0.52	+3.76

## STIMULUS

### **Second Stimulus in the Works**

The Senate Appropriations Committee Democrats plan to release an emergency spending package totaling approximately \$25 billion for domestic programs to help boost the economy. It is anticipated that the Senate bill will include money for infrastructure projects, flood relief, wildfire programs and aid for the Gulf Coast's continuing recovery from 2005 hurricanes. Senator Feinstein (D-CA) wrote to Senate Appropriations Chairman Byrd (D-WV) requesting \$910 million in emergency funding "to meet the immediate needs of the firefighters battling wildfires in California and across the country, as well as prevention and rehabilitation efforts." Emergency funding for fighting wildfires was one of the Senate add-ons that had been dropped from the war supplemental.

Breakdown of Senator Byrd's stimulus plan:

### **Infrastructure, Energy, and Economic Recovery (\$10 billion)**

**Energy (\$1.5 billion)** The supplemental includes \$1.5 billion for Energy Efficiency and Renewable Energy activities:

- This includes \$900 million specifically for the Advanced Technology Vehicles Manufacturing Incentive Program (Section 136, Energy Independence and Security Act, 2007), which provides up to \$6 billion in Direct Loan Authority for the retooling of vehicle manufacturing plants in the United States toward the goal of building more efficient cars.
- Another \$300 million provides for Advanced Battery technology to help resolve problems in developing long-term, cost-effective storage systems, the biggest hurdle to bringing plug-in hybrid or pure plug-in vehicles to the marketplace.
- Finally, the supplemental includes \$300 million for competitively awarded grants to local, county, State, and tribal governments for innovative energy efficiency and renewable energy demonstration projects.

### **Transportation (\$4.762 billion)**

- **Additional Highway Funding.** The Committee bill includes \$3.57 billion for highway investments. Funding from the general fund would be sent by formula to every State in order to improve deficient roads and bridges. These investments would also generate over 124,000 jobs right here at home. In addition, the bill includes a provision that transfers cash into the Highway Trust Fund so that it remains solvent through fiscal year 2009 and States will continue to make infrastructure investments.
- **Public Transportation.** The first quarter of 2008 saw 88 million more transit trips than the same period last year. The bill includes \$892.5 million for transit agencies to address capital and operating needs in order to meet this growing demand. Legislative language is also included to allow for an increase in the Federal Transit Administration's contingent commitment authority to allow additional major transit projects to progress to construction in the coming months.
- **Investing in Amtrak.** As an increasing number of Americans are turning to rail transportation in the wake of high gas prices, the bill includes funding to address the increasing demands on Amtrak across the country. The bill includes \$100 million to fund capital projects along Amtrak's corridors, including funding to rehabilitate inactive rolling stock.
- **Airport Investments.** The Committee bill includes \$200 million for capital improvements to airports across the country. These funds would support projects that are ready to begin construction immediately, bringing necessary improvements to our aviation system and supporting jobs in the local communities.

### **Nutrition Programs (\$570 million)**

- **Special Supplemental Nutrition Program for Women, Infants, and Children (WIC).** The bill provides \$450 million for WIC, which will prevent more than 625,000 low-income women, infants, and children from losing WIC benefits, according to USDA's latest food and administrative cost estimates. The funding will also prevent States from having to create waiting lists due to funding uncertainty.
- **The Commodity Supplemental Food Programs (CSFP).** The CSFP currently serves approximately 466,075 low-income senior citizens, women, infants, and children in 32 States and the District of Columbia and allows USDA to purchase specific commodities and make them available to participating States. Recent and rapid increases in commodity prices have forced USDA to use up much of its inventory for CSFP food. The additional \$30 million that

the supplemental provides will allow USDA to replenish its food stocks, preventing smaller food packages or a forced decrease in participation.

- The Emergency Food Assistance Program (TEFAP). TEFAP allows USDA to purchase commodities and make them available for free to the States, which then provide them to approved food distribution centers, including food banks and homeless shelters. The amount of food distributed to each State is determined by that State's low-income and unemployed population. The supplemental includes \$50 million for TEFAP that will allow USDA to buy additional food at a time when food prices are at record highs and the economy is weak at best.
- Senior Meals. The supplemental provides \$40 million to help senior meals programs cope with steep increases in food and fuel costs. This will result in an additional 12 million meals served in FY 2008. Skyrocketing food and gas prices have forced senior meals programs to make cuts; nearly half of programs have been forced to eliminate meal delivery routes or consolidate their meal services. These cutbacks put our most vulnerable seniors at risk of hunger, poor health, and isolation.

### **Housing (\$309 million)**

- Supporting the Federal Housing Administration (FHA). In the midst of the Nation's housing crisis, the Federal Housing Administration has seen its role in the housing market increase substantially. In addition, with the recent passage of the housing legislation, FHA is expected to guarantee an estimated 400,000 additional loans to prevent more Americans from facing foreclosure. The supplemental provides FHA with \$51.8 million to modernize its systems and hire additional staff. These resources will be critical to ensuring that FHA's mortgage fund remains solvent, and that the agency serves the needs of homeowners while protecting the interests of the taxpayer.
- Stopping Mortgage Fraud. The bill includes \$5 million for the FBI for agents to investigate rising claims of mortgage fraud.
- Help for Families Facing Foreclosure. The supplemental provides \$37.5 million for the Legal Services Corporation to provide legal assistance to families whose homes are in foreclosure.
- Public Housing Capital Assistance. The bill includes \$215 million for public housing agencies to address critical and urgent safety, security, and energy-related needs. Priority will be given for funding to be used to rehabilitate vacant rental units in order to meet the increasing demand for affordable rental housing.

### **Clean Water (\$400 million)**

- The bill includes \$200 million for the Environmental Protection Agency's (EPA) Clean Water State Revolving Fund, which provides funding to States for low-cost loans to make local sewer projects affordable. EPA estimates that \$202 billion will be needed to keep pace with aging sewer infrastructure needs over the next 20 years, which would require an average commitment of \$10 billion per year. The President's FY 2009 request of \$555 million for the Clean Water State Revolving Fund funds just 5 percent of that annual need.

It is estimated by the State and local water pollution agencies' association that this \$200 million investment would create at least 8,000 jobs and generate an additional \$380 million in economic benefits for communities.

- A substantial and longstanding backlog exists of approved applications for cleanwater and waste disposal projects in rural communities. The recent Farm Bill provided some funding for this purpose, but a backlog of \$1.4 billion in loan and grant applications remains. This bill includes \$200 million in budget authority for the United States Department of Agriculture that will support over \$500 million in loans and grants for needed water and waste disposal facilities in remote rural areas.

### **Job Training (\$500 million)**

- Department of Labor Employment and Training. Over the past year, unemployment has grown to 8.5 million people nationally, an increase of more than 1.5 million people. Long-term unemployment is up by more than 60 percent over the level at the beginning of the last recession in March 2001. At that time, the number of workers unemployed 27 weeks or more was 703,000, or 11.4 percent of the unemployed. Last month, more than 1.5 million people were unemployed for at least 27 weeks, which is 18.4 percent of all unemployed individuals.

Additional funds are needed to help get the economy moving. The second supplemental appropriations bill includes \$250 million for employment and training activities for dislocated workers. These funds will help more than 66,000 people receive services, which include job search and career counseling, as well as training.

Additionally, the national jobless rate for teenagers was 18.1% in June, and unemployment rates for minority teens were worse -- for example, about 30% for African American teenagers. These are near historic highs. Funds are needed to improve these rates, and this second supplemental appropriations bill includes \$250 million for this purpose. These funds will support part-time jobs after school, paid internships, and community service jobs for older youth, and will help low income youth acquire work skills and income that can help families living in poverty or experiencing economic turmoil. Communities and cities will also benefit by engaging young people in productive activities. More than 67,000 youth would receive services under this supplemental appropriations bill.

### **Safer Schools (\$850 million)**

- **School Repair and Renovation.** Too many of America's children go to school in overcrowded buildings with leaky roofs, faulty electrical systems, and outdated technology, all of which compromise their ability to achieve, succeed, and develop the educational skills necessary for the workforce of the 21st century. An emergency public school renovation and repair program will help States meet the school facility needs of local communities by providing resources to repair, renovate, and modernize America's schools. Equally important, its enactment will stimulate the creation of thousands of new jobs in construction-related services. The supplemental appropriations bill includes \$850 million for this purpose, an amount that would be sufficient to create an estimated 13,700 jobs.

### **Rural Programs (\$2.262 billion, including loan levels)**

- **Rural Housing.** The bill includes \$1.4 billion in direct and guaranteed single family housing (SFH) loans that will provide about 14,000 very low to moderate income rural households the opportunity of homeownership, especially during this period of uncertainty in the housing market.
- **Rural Utilities & Community Facilities.** The supplemental includes \$792 million in loans and grants for essential rural community facilities, including hospitals, health clinics, health and safety vehicles and equipment, public buildings, and child and elder care facilities. The bill also provides \$26 million for distance learning and telemedicine infrastructure grants to improve access to these services in remote rural communities.
- **Rural Business.** The supplemental includes approximately \$70 million for loans and grants to support income and employment expansion through improved business opportunities in rural areas.

### **Border and Homeland Security (\$561 million)**

- **Customs and Border Protection (CBP).** The bill provides \$100 million to U.S. Customs and Border Protection for construction at CBP-owned inspection facilities at land border ports of entry.
- **General Services Administration.** The supplemental also includes \$100 million to the General Services Administration for construction and repair/alteration of border stations (land ports of entry) to help address the backlog of these facilities needed for our Nation's security and commerce. Significant increases in trade and vehicle traffic, as well as the hiring of new personnel, have placed strains on the many outdated border inspection facilities.
- **Consolidating Department of Homeland Security (DHS) Headquarters.** The supplemental includes \$361 million for DHS to begin construction of a consolidated headquarters in Washington, D.C. Currently operating in 70 buildings located on 40 sites across the National Capital Region, DHS has a critical need for a permanent, unified headquarters.

### **Support for Small Businesses (\$101 million)**

**Small Business Administration.** The supplemental provides \$100 million to support over \$7.5 billion in reduced-fee loans to small businesses. Reducing loan fees will provide needed relief to small businesses as the market for credit continues to tighten. Of the \$100 million, \$64 million would provide reduced fees on \$5.8 billion in general small business loans; \$25 million would support \$1.3 billion in loans with even lower fees for veterans; and \$11 million would support \$490 million in loans with even lower fees for small businesses purchasing energy efficient technologies.

The bill also provides \$1 million to support \$10 million in new microloans for small businesses and \$4 million for critical technical assistance for these “micro” borrowers.

### **Excessive Oil Price Speculation (\$13.1 million)**

- Commodity Futures Trading Commission. The second supplemental also includes \$13.1 million to permit prompt implementation of new authorities enacted in the 2008 Farm Bill (P.L. 110-246) and to enhance enforcement, market surveillance, and oversight of the futures markets in response to significant public concern about record energy and agricultural commodity prices, including escalating costs at the gas pump and the impact on American consumers and our national economy.

### **Natural Disasters (\$10.1 billion)**

Within two weeks of the Midwest floods, Congress approves \$2.65 billion of funds not requested by the President to meet the critical needs of victims of those and other disastrous floods. The second supplemental will continue Congress’s commitment to help the victims of natural disasters rebuild.

- Federal Emergency Management Agency (FEMA). The supplemental provides \$1.8 billion for FEMA Disaster Relief.
- Community Development Block Grants (CDBG) Funding for States Impacted by Midwest Floods and Recent Disasters. The bill includes \$1.82 billion in CDBG funding to assist States that have been impacted by the severe storms in the Midwest and other presidentially declared major disasters. This funding will help States address needs including: the rehabilitation of homes and buildings; repair or replacement of public facilities, including water and sewer; and debris removal. A portion of this funding will be dedicated to the restoration and repair of affordable rental housing, including public housing or other HUD-assisted housing.
- Repairing Federal Highways Damaged by Natural Disasters. The bill includes \$1.2 billion for the Federal Highway Administration’s Emergency Relief program, which funds the repair or reconstruction of roads and bridges that have been damaged by unexpected catastrophes or natural disasters. This funding will meet the backlog of requests from 23 States, as well as funding the needs of States impacted by the storms in the Midwest and other recent presidentially-declared major disasters.
- Economic Development Assistance. The supplemental provides \$250 million for Economic Development Assistance for infrastructure and economic recovery in communities affected by the Midwest floods.
- Help for Small Businesses. The bill includes \$3.5 million for small business development centers in the Midwest for providing critical assistance to small businesses recovering from recent floods, storms, and tornadoes.
- Repairing Federal Projects Damaged by Natural Disasters. The bill includes \$360 million for repair of eligible levees and other Federal flood control projects in 21 States damaged by flooding and natural disasters as well as funding for emergency dredging of waterways and ports impacted by natural disasters.
- Rural Housing and Communities. The supplemental provides almost \$700 million for direct and guaranteed single family housing and multifamily housing loans, and housing repair grants to address housing reconstruction needs resulting from recent flooding. In addition, \$1 million is made available for housing vouchers for residents of Sec. 515-financed multifamily housing projects displaced by natural disasters.

The bill provides over \$132 million in loans and grants for essential rural community facilities, over \$25 million in loans and grants for water and waste disposal repair and reconstruction, \$25 million in loans and grants to assist with business recovery in rural areas, and \$7 million for electric and telecommunications project repair and loan modifications.

Other disaster-related items include:

- \$300 million for emergency loans for family farmers affected by disasters in the Midwest and other parts of the country;

- \$182 million for construction of the new Cedar Rapids Courthouse, which has recently received emergency designation by the Judicial Conference of the U.S. Courts after the current courthouse was severely damaged due to flooding;
- \$100 million for the Emergency Watershed Program for recovery from floods, storms, and other natural disasters;
- \$91 million to address public health and social service needs;
- \$75 million for the Emergency Food and Shelter program;
- \$70.8 million to assist farmers and ranchers in recovery from floods, storms, and other natural disasters;
- \$50 million for the Watershed Rehabilitation Program to repair dams that were damaged by recent floods;
- \$24.6 million to rebuild Army National Guard facilities in Mississippi and Indiana damaged by tornadoes;
- \$22 million for schools, libraries, and museums; and
- \$13 million for volunteer disaster relief activities.

### **Hurricane Katrina**

Funding is still critically needed to revitalize the Gulf Coast after the devastation caused by Hurricane Katrina almost three years ago. The supplemental includes the following sums:

- \$1.5 billion to ensure that the 100-year hurricane protection system can be completed on the President's schedule of June 2011. Without the funding provided, project completion will lag as the State has indicated that they cannot provide a \$1.5 billion cost share over the next three years. Legislation provided with the funding directs that the non-Federal share be repaid over 30 years as opposed to during project construction;
- \$953 million for Mississippi coastal protection and restoration;
- \$350 million to improve hospital care in Louisiana and Mississippi;
- \$75 million for Byrne Justice Assistance Grants to help fight the rise of violent crime in areas affected by Hurricane Katrina;
- \$50 million for the Community Development Fund in Alabama;
- \$10.5 million for Navy Family Housing construction in Gulfport; and
- Expedited rebuilding of police, fire, and criminal justice facilities in the Gulf Coast region following Hurricanes Katrina and Rita.

### **Western Firefighting (\$910 million)**

- Department of the Interior and the U.S. Forest Service. The supplemental provides \$910 million for the Department of the Interior and U.S. Forest Service to fund firefighting, rehabilitation, and risk reduction programs. Of these funds, \$610 million would fund fire suppression activities, including \$500 million for the Forest Service and \$110 million for the Department of the Interior.

This has been another severe fire season, and Federal agencies and departments are spending funds at an unprecedented rate. The Forest Service alone has already spent \$893 million – more than 70 percent of its \$1.26 billion in available firefighting funds – and is likely to run out of firefighting funds and begin borrowing from other programs in August 2008.

The \$910 million also includes \$300 million for rehabilitation and risk reduction activities, including:

- \$175 million for hazardous fuels reduction activities on Federal, State, and private lands to prevent future fires;
- \$100 million for burned area rehabilitation to restore and prevent erosion on the 3.4 million acres that have already burned this fire season nationwide; and
- \$25 million to fund firefighter recruitment and retention for high risk areas that are facing staffing shortages.

### **Fisheries (\$75 million)**

- Fisheries Disasters. The supplemental includes \$75 million for fisheries disasters to assist fishing communities around the Nation recover from the effects of natural disasters and regulations that have reduced economic opportunities for industry and related businesses.

## **Other (\$4.04 billion)**

### **Assistance with High Energy Costs (\$1.5 billion)**

- Low-Income Home Energy Assistance Program (LIHEAP). Additional funds are needed to help low-income families pay arrearages from last winter's high cost of home heating, pay for summer cooling, and begin preparing for the soaring energy prices that are expected this upcoming winter. Only 16 percent of eligible LIHEAP recipients currently receive assistance with their home energy bills. The supplemental provides \$1.25 billion that would allow an additional 2.9 million households to get LIHEAP assistance.
- Weatherization Assistance. The bill also provides \$250 million for the Weatherization Assistance Program, which improves the energy efficiency of low-income housing. This amount of funding will support more than 8,000 existing jobs, weatherize about 100,000 homes, and save each household about \$400 in energy costs this coming year.

### **Investments in Science and the Environment (\$1.28 billion)**

- National Institutes of Health (NIH). Even with the \$150 million included in the first supplemental bill, NIH funding failed to keep up with biomedical inflation in FY08 for the fifth year in a row, a trend that has discouraged many young scientists from this field and puts the Nation at risk of losing a generation of talented investigators. The second supplemental includes \$500 million to restore some of the purchasing power of NIH that was lost because of inflation in the past five years and allow NIH to award at least 700 new research project grants that could lead to cures and treatments for cancer, Alzheimer's, heart disease, and many other devastating diseases.
- NASA. The bill provides \$250 million for NASA to help shorten the projected 5-year gap between the retirement of the Space Shuttle in 2010 and the availability of the new U.S. space vehicle in 2015. During this gap, the only way U.S. astronauts will be able to access space will be aboard Russian vehicles.
- Department of Energy. The supplemental includes \$250 million for the Department of Energy's Environmental Cleanup program of former nuclear weapons production plants, which will restore about 200 cleanup jobs around the nation that were going to be lost due to the Administration's budget cuts in FY 2008 and 2009.

The supplemental increases the Department of Energy's Science program by \$150 million to meet international and domestic research priorities.

Finally, the bill includes \$100 million for implementation of Section 1051 of the 2004 Intelligence Reform and Terrorism Prevention Act (\$30 million) and enhanced cyber and site security across the National Nuclear Security Administration complex (\$70 million) in the Department of Energy.

- Centers for Disease Control (CDC). The bill provides \$26 million for the CDC for combating infectious diseases.

### **Other Provisions**

- Rural Schools. The supplemental includes \$400 million for a one-year extension of the Secure Rural Schools Act. These funds are critically urgent to over 775 rural counties and 4,400 schools nationwide that are facing permanent cuts to teaching positions and school and road improvement programs. Nearly 7,000 teachers and educational staff across the country have received pink slips and will otherwise not have a job when the new school year begins this September.
- Byrne Justice Assistance Grants. The bill provides \$490 million for Byrne Justice Assistance Grants to support State and local police fighting crime in our communities. Specifically, this funding will help keep over 6,000 cops on the beat in our local communities and aid in the installation of almost 45,000 mobile laptops in police vehicles.
- U.S. Marshals Service. The supplemental also includes \$50 million for the U.S. Marshals Service to implement the Adam Walsh Act. This funding will allow the Marshals to hire 200 new Deputy U.S. Marshals dedicated to apprehending fugitive sex offenders who threaten children in our communities.
- Capitol Police Interoperability. The bill provides \$55 million for interoperability upgrades for Capitol Police radios.

- **Farm Bill Implementation Costs.** The bill provides \$172 million to assist USDA in upgrading computer systems and implementing the new Farm Bill.
- **Fighting Violence on the Southwest Border.** The bill includes \$100 million to help communities along the Southwest Border fight the illegal flow of guns and drugs between the U.S. and Mexico that is fueling violence along the Border.

In the House, Speaker Pelosi (D-CA) intends to introduce a bill totaling at least \$50 billion, including an additional extension of unemployment insurance benefits, aid to help states pay for Medicaid costs and other items. Pelosi is pushing for the stimulus after the latest report on a drop in employment became "yet another indication that we need another stimulus bill" that will focus on job creation. She said the dollar amount and content of a second stimulus package would depend on the president's recognition "that the American people are having a hard time." Pelosi noted that it took months of effort to convince President Bush of the need for the first stimulus bill, which provided cash payments to low and middle-income Americans. She said the one thing she would most like to see in the stimulus was "a major investment in infrastructure," which would create jobs.

It is unlikely that either Chamber will have a bill reach the floor before September.