2002 Budget Resolution

**HOUSE DEBATES SPENDING BLUEPRINT MIRRING BUSH BUDGET PROPOSAL**

The House of Representatives began debate March 27, 2001, on an FY2002 budget resolution that reflects the Bush administration's budget plan, including a $1.62 trillion tax cut over 10 years. Approved in Committee along party lines March 21, 2001, the budget resolution caps discretionary budget authority at $661 billion, a four percent increase over FY2001.

The measure would pay $2.3 trillion over 10 years for debt reduction and would reserve $517 billion as a contingency fund for spending or additional debt reduction. In addition, the resolution contains instructions for four tax reconciliation bills and sets aside $153 billion from the Medicare surplus for prescription drug benefits.

The budget resolution does not have the force of law but is a spending blueprint adopted by Congress and used to allocate funding authority to the 13 appropriations committees. The Senate is expected to begin deliberations on its budget resolution in April.

**Appropriations Committee**

**CURRENT MEMBERSHIP LISTING**

**House Appropriations Committee C.W. Young (R-FL) (Chair), David R. Obey (D-WI) (Ranking Member)**

**Republicans:** Ralph Regula (OH), Jerry Lewis (CA), Harold Rogers (KY), Joe Sken (NM), Frank R. Wolf (VA), Tom DeLay (TX), Jim Kolbe (AZ), Sonny Callahan (AL), James T. Walsh (NY), Charles H. Taylor (NC), David Hobson (OH), Ernest Istook, Jr. (OK), Henry Bonilla (TX), Joseph Knollenberg (MI), Dan Miller (FL), Jack Kingston (GA), Rodney Frelinghuysen (NJ), Roger Wicker (MS), George R. Nethercutt, Jr. (WA), Randy Cunningham (CA), Todd Tiahrt (KS), Zach Wamp (TN), Tom Latham (IA), Anne M. Northup (KY), Robert B. Aderholt (AL), Jo Ann Emerson (MO), John E. Sununu (NH), Kay Granger (TX), John E. Peterson (PA), John T. Doolittle (CA), Ray LaHood (IL), John E. Sweeney (NY), David Vitter (LA), Don Sherwood (PA) Total: 36

**Democrats:** John P. Murtha, (PA), Norman D. Dicks (WA), Martin Olav Sabo (MN), Steny H. Hoyer (MD), Alan B. Mollohan (WV), Marcy Kaptur (OH), Nancy Pelosi (CA), Peter J. Visclosky (IN), Nita M. Lowey (NY), Jose E. Serrano (NY), Rosa DeLauro (CT), James P. Moran (VA), John W. Olver (MA), Ed Pastor (AZ), Carrie Meek (FL), David E. Price (NC), Chet Edwards (TX), Robert E. Cramer, Jr. (AL), Patrick Kennedy (RI), James Clyburn (SC), Maurice Hinchey (NY), Lucille Roybal-Allard (CA), Sam Farr (CA), Jesse L. Jackson, Jr. (IL), Carolyn C. Kilpatrick (MI), F. Allen Boyd, Jr. (FL), Chaka Fattah (PA), Steven Rothman (NJ). Total: 29

**Subcommittee Chairs:**

**Agriculture, Rural Development, Food and Drug Administration, and Related Agencies:** Henry Bonilla, Texas, Chairman

**Commerce, Justice, State, and the Judiciary:** Frank R. Wolf, Virginia, Chairman

**Defense:** Jerry Lewis, California, Chairman

**District of Columbia:** Joe Knollenberg, Michigan, Chairman

**Energy and Water Development:** Sonny Callahan, Alabama, Chairman

**Foreign Operations, Export Financing and Related Programs:** Jim Kolbe, Arizona, Chairman
Congress Repeals Controversial Clinton Administration Rule

The U.S. Senate and the U.S. House of Representatives teamed together March 6 and 7, 2001, to repeal the controversial ergonomics rule, issued by former President Clinton in November 2000. President Bush, who had previously announced he would support repeal, signed the measure March 21, 2001.

The proposal would have required employers to redesign workplaces to prevent repetitive motion injuries and compensate workers for repetitive-motion injuries.

If allowed to stand, the ergonomics ruling would have taken effect in October 2001, and would have covered 102 million workers at over 6 million sites. The Occupational Safety and Health Administration (OSHA), the agency responsible for administering the rule, said compliance could cost businesses $4.5 billion annually.

Republicans and business organizations found the regulations to be too broad and claimed they would impose higher costs—as much as $100 billion a year.

Infrastructure Report Card

"D+" Grade Given; APWA President Mueller Emphasizes Investment Needs

A "Report Card" on the nation’s infrastructure rates it with an overall grade of “D+” and identifies investment needs totaling $1.3 trillion over the next five years.

Prepared by the American Society of Civil Engineers (ASCE), and released March 8, 2001, the 2001 Report Card for America’s Infrastructure provides a national assessment of the condition and investment needs of America’s infrastructure. The Report Card includes an evaluation of roads, bridges, transit, aviation, schools, drinking water, wastewater, dams, solid waste, hazardous waste, navigable waterways and energy.
APWA President Judith M. Mueller, Charlottesville, VA, public works director, noted that these infrastructure needs are the result of insufficient investment over time. “Investing adequate resources in our infrastructure must be a top national priority,” Mueller said.

The 2001 report card is an update of one released in 1998, when the nation’s infrastructure overall received a grade of “D.” The full 2001 Report Card can be found on ASCE’s website, www.asce.org/reportcard.

**Investing in Communities**

**APWA PARTNERS WITH COALITION TO URGE FEDERAL SUPPORT FOR COMMUNITIES**

APWA President Judith M. Mueller joined other members of the Investing in Communities Coalition at a special session during the National League of Cities’ (NLC) Congressional Cities Conference March 11, 2001, in Washington, DC, where Coalition Chair and NLC President Dennis W. Archer, mayor of Detroit, outlined the Coalition’s priorities.

He called on President George W. Bush and members of the 107th Congress to support a public policy agenda that invests in the nation’s communities.

The Coalition’s plan seeks financing and investment incentives to build and maintain infrastructure. (Assuring adequate investment in the nation’s public infrastructure is one of APWA’s top public policy advocacy priorities.) Other Coalition priorities include support for technology, affordable housing, education, public safety and equal opportunity.

The coalition includes more than two dozen national organizations committed to supporting continued investment in the America’s communities.

**APWA Launches Legislative Action Center**

**FOUR-PRONGED PROGRAM WILL SUPPORT MEMBER ADVOCACY ACTIVITIES**

APWA has added a new advocacy resource and tool to the government affairs page of APWA’s website, the “APWA Legislative Action Center.” The Legislative Action Center has four main features, including:

- **“Elected Officials,”** a detailed guide providing information on members of Congress including photographs, occupations, e-mail addresses, phone numbers, staff listings, and more. The section also includes complete committee rosters and congressional leadership information. An e-mail feature allows APWA members to write members of Congress, the President, and other government officials.
- **“Issues and Legislation,”** a comprehensive guide that provides links to current legislation, legislative alerts, and key votes.
- **“Guide to Local Media Contacts,”** enables APWA members to enter a zip code and access newspapers and media outlets for any area of the country.
- **“Congress Today,”** members can search the House and Senate current committee schedules. A projected hearing schedule is also posted.

This is how it works: When a public works issue arises, an “Alert” icon will be placed on APWA’s homepage at www.apwa.net notifying APWA members that an important issue is before Congress. A link will direct members to the Legislative Action Center where members can view, customize and send letters stating APWA’s position on the issue and urging action. Correspondence can be sent as a letter to members of Congress or via e-mail.

Access to the APWA Legislative Action Center is password protected and will require use of your APWA—issued password and username (member number and username).

The Legislative Action Center is available at: www.apwa.net/govaffairs/ Click on Legislative Action Center on the left margin. An introductory letter outlining the need for Congress to place priority on addressing the needs of our nation’s public infrastructure is currently posted on the site. All members are encouraged to take advantage of this new tool by sending letters to your members of Congress. (Reminder: be sure to follow employer policies on contacting and communicating with elected officials, and be sure to coordinate activities with others in your organization who have responsibility for intergovernmental/government relations activities.)

*Questions or comments on the new APWA Legislative Action Center should be directed to Heather McTavish in APWA’s Washington office at hmctavish@apwa.net or 202-408-9541.*

**Federal Grant Information**

**CENTRAL INFORMATION WEBSITE UNDER DEVELOPMENT**

A new central point for federal grant information, an internet site called the Federal Commons, is being developed. It will offer grantees and potential grantees such as state and local governments, universities, small businesses, etc., U.S. government-wide
information on funding opportunities, plus full service grant processing across all functions in the grant life cycle and secure processing of electronic (e-grant) transactions. The site’s address is www.cfda.gov/federalcommons/index.html.

The site is in accordance with the Federal Financial Assistance Management Improvement Act of 1999 (P. L. 106-107), which calls for federal agencies to develop plans for the electronic processing of grants by May 2001. The Act further requires agencies to adopt common forms and processes.

City Rights-of-Way
CITIES, COUNTIES AND OTHERS FILE COMMENTS ON PREEMPTION OF AUTHORITY
More than 50 cities, counties and others joined with the National League of Cities in filing comments to the Federal Communications Commission (FCC) expressing concern regarding attempts to nullify rights-of-way ordinances in three Ohio cities requiring telecommunications industries to put their wiring underground. This action to protect local authority is in response to a corporate petition to the FCC stating that the underground wiring “increases the cost of its telecommunications facilities” making their service non-competitive.

More information on filing comments regarding this and other telecommunications company petitions regarding local rights-of-way law can be obtained from the FCC website at http://www.fcc.gov.

Regulating Religious Land Use
IMPACT AND IMPLICATIONS OF NEW LEGISLATION SUBJECT OF CONFERENCE
The impact of a new federal statute, the Religious Land Use and Institutionalized Persons Act, will be the subject of a one-hour audio conference offered May 9, 2001, from 4-5 p.m. EDST. The session will focus on how communities regulate and zone religious land use under the Act’s new provisions and is cosponsored by the International Code Council, International Municipal Lawyers Association, National Association of Counties, National Association of Towns and Townships and the National Trust for Historic Preservation.

The conference will be delivered to through speaker phone by dialing a toll free number. The program is interactive and participants will be able to ask questions of panelists by calling or email. There is an enrollment fee starting at $70, depending on options selected. For more information call 202-872-0611 or go to www.planning.org.

APWA’s Distinguished Service Award
SENATOR LINCOLN CHAFEE ACCEPTS HONOR FOR HIS FATHER, SENATOR JOHN H. CHAFEE
APWA staff joined New England chapter members Jim Coppola, Frank Romeo, and Michael Grilli (Beta Group, RI) March 1, 2001, to present the APWA Distinguished Service Award to Senator Lincoln Chafee (R-RI) in honor of his father, the late Senator John H. Chafee (R-RI) in appreciation for his leadership, dedication and contributions in support of our nation's public works infrastructure. (The New England chapter nominated Senator John H. Chafee for the Distinguished Service Award.)

The APWA Distinguished Service Award, established in 1972, is reserved for national leaders for their far-reaching, positive impact on public works programs, services or policies through distinguished public service and commitment. As Chairman of the Environment and Public Works Committee, Senator John H. Chafee earned national recognition for helping craft and pass environmental legislation that will affect all Americans for years to come. APWA’s award expresses gratitude for Senator John Chafee’s involvement with TEA-21, The Clean Air Act of 1990 and the Safe Drinking Water Act.

ENVIRONMENT

EPA Budget
“CORE” FUNDING PROPOSED AT SECOND HIGHEST LEVEL IN HISTORY
The U.S. Environment at Protection Agency (US EPA) proposed 2002 budget is $7.3 billion. US EPA’s Operating Program, the core of its regulatory, research and enforcement activities, is funded at $3.7 billion, the second highest level in the Agency’s history. The Operating Program includes grants to state and tribal governments at over $1 billion, wastewater grants to states at $1.3 billion and Clean Water State Revolving Loan Funds at $2 billion per year, a long-standing annual funding goal. U.S. EPA is to request that a portion of these funds be used for the newly authorized sewer overflow control grants.

Drinking Water
EPA PROPOSES TO WITHDRAW ARSENIC STANDARD
U.S. Environmental Protection Agency (US EPA) Administrator Christie Todd Whitman announced March 20, 2001, that EPA will propose to withdraw the pending arsenic standard for drinking water. Issued January 22, 2001, the rule would have reduced the acceptable level of arsenic in water from 50 parts per billion to 10 parts per billion.

EPA is now seeking independent reviews of the science behind the standard and of the estimates of the costs to communities of implementing the rule. Go to the US EPA web site, www.epa.gov/ebtpages/watwaterarsenic.html for additional information.
Water Infrastructure

HEARINGS DETAIL LOCAL FUNDING NEEDS; RENEWED FEDERAL PARTNERSHIP SOUGHT

IN THE HOUSE OF REPRESENTATIVES: "The next crisis facing this country is a water infrastructure issue," House Transportation and Infrastructure Committee Chair Don Young (R-AK) stated at a Water Resources Subcommittee hearing March 28, 2001.

At the hearing, chaired by Representative John J. Duncan (R-TN), Gloucester, MA, Mayor Bruce Tobey testified about the needs he faces daily in his city and asked the federal government to "support a renewed federal partnership for water and wastewater treatment systems."

Additionally, as a spokesperson for the Water Infrastructure Network (WIN), Mayor Tobey detailed the nation’s water infrastructure funding gap, discussed what local governments have been doing to address the problem locally, and outlined ways the federal government can play a role.

Mayor Tobey told members of the House, "The Water Infrastructure Network has developed and agreed on the outlines of a legislative proposal to enhance the federal financial commitment to water infrastructure needs. The proposal recommends a five-year, $57 billion authorization beginning in fiscal 2003 for loans, grants, loan subsidies and credit assistance for basic water infrastructure needs. These funds would be allocated to states to capitalize state-administered grant and loan programs."

In addition to Committee Chair Young and Subcommittee Chair Duncan, Representatives at the hearing included: Sherwood L. Boehlert (R-NY), C.L. “Butch” Otter (R-ID), Wayne Gilchrest (R-MD), Steve Horn (R-CA), Johnny Isakson (R-GA), Sue W. Kelly (R-NY), Steven C. LaTourette (R-OH), Peter A. DeFazio (D-OR), Robert A. Borski (D-PA), and Earl Blumenauer (D-OR).

IN THE SENATE: Previously, on March 27, 2001, Mayor Tobey provided similar information and represented WIN at a hearing held by the Senate Fisheries, Wildlife and Water Subcommittee chaired by Michael Crapo (R-ID) of the Senate Environment and Public Works Committee.

Also testifying was US EPA Administrator Christie Todd Whitman who spoke about the nation’s investment in drinking water and sewage treatment facilities to protect human health and the environment.

In addition to Subcommittee Chair Crapo, Senators present were: Committee Chair Bob Smith (R-NH), George Voinovich (R-OH), Lincoln Chafee (R-RI), Christopher Bond (R-MO), Harry Reid (D-NV), Jon Corzine (D-NJ), and Hillary Clinton (D-NY).

Water Infrastructure Budget

SENATORS ASK PRESIDENT TO INCREASE FUNDING IN 2002 BUDGET

Over a dozen Senators from both parties have signed on to a draft letter calling on President Bush to increase water infrastructure funding in the fiscal year 2002 budget plan. They are asking for funds to aid in repairing the nation’s ailing drinking water and wastewater infrastructure systems.

Senators John Kerry (D-MA), Jim Jeffords (R-VT) and Carl Levin (D-MI) are among the Senators writing to President Bush, EPA Administrator Whitman and White House Office of Management and Budget Director Mitchell Daniels asking the President to “provide the increased federal assistance that will enable our communities to protect public health and promote economic well-being by leveraging critical investments in America’s existing water and wastewater infrastructure.”

The letter included many of the recommendations made by the Water Infrastructure Now report, recently released by WIN. WIN, of which APWA is a member, applauded the bipartisan support for its issues.

To keep abreast of WIN activities and information, go to their new web page at: www.win-water.org

Water Infrastructure Caucus

MEMBERSHIP CONTINUES TO GROW IN HOUSE

The Bipartisan Water Infrastructure Caucus, formed in the House of Representatives on April 12, 2000, is devoted to addressing aging and failing water infrastructure systems. APWA members are encouraged to contact their Representative and urge them to support the Caucus. For information on how to contact your Representative, contact Heather McTavish in APWA's Washington office at 202-408-95. Following are the 83 Caucus members:

Co-Chairs: Sherwood Boehlert (R-NY), Bob Borski (D-PA), Jim Duncan (R-TN), Peter DeFazio (D-OR), Michael Bilirakis (R-FL), Sherrod Brown (D-OH), Paul Gillmor (R-OH), Frank Pallone (D-NJ).
Caucus Members: Neil Abercrombie (D-HI), Richard Baker (R-LA), Ray LaHood (R-IL), Nick Lampson (D-TX), John Baldacci (D-ME), Steve LaTourette (R-OH), Jim Barcia (D-MI), John Lewis (D-GA), Earl Blumenauer (D-OR), William Lipinski (D-IL), David Bonior (D-MI), Frank LoBiondo (R-NJ), Corrine Brown (D-FL), Zoe Lofgren (D-CA), Michael Capuano (D-MA), Frank Mascara (D-PA), Mike Castle (R-DE), Bob Matsui (D-CA), Donna Christensen (D-VI), Mike Doyle (D-PA), Vern Ehlers (R-MI), Phil English (R-PA), Lane Evans (D-IL), Bob Filner (D-CA), Martin Frost (D-TX), George Gekas (R-PA), Wayne Gilchrest (R-MD), Kay Granger (R-TX), Tim Holden (D-PA), Eleanor Holmes Norton (D-Delegate-DC), Rush Holt (D-NJ), Steve Horn (R-CA), Asa Hutchinson (R-AR), Johnny Isakson (R-GA), Eddie Bernice Johnson (D-TX), Walter Jones (R-NC), Sue Kelly (R-NY), Jim Kolbe (R-AZ), Carolyn McCarthy (D-NY), Bob Clement (D-TN), Jim McGovern (D-MA), Jim Clyburn (D-SC), Mike McIntyre (D-NC), Jerry Costello (D-IL), Juanita Millender-McDonald (D-CA), William Coyne (D-PA), Gary Miller (R-CA), William Delahunt (D-MA), Dennis Moore (D-KS), Grace Napolitano (D-CA), Bob Ney (R-OH), John Olver (D-MA), Rosa DeLauro (D-CT), William Pascrell (D-NJ), Tom Petri (R-WI), David Phelps (D-IL), Nick Rahall (D-WV), Jim Ramstad (R-MN), Steve Rothman (D-NJ), Peter Deutsch (D-FL), Tom Sawyer (D-OH), Jim Saxton (R-NJ), Bob Schaffer (R-CO), Ronnyal Shows (MS), Reyes Silvestre (D-TX), Mark Souder (R-IN), John Tanner (D-TN), Ellen Tauscher (D-CA), Gene Taylor (D-MS), John Thune (R-SD), Karen Thurman (D-FL), John Tierney (D-MA), Peter Visclosky (D-IN), Jim Walsh (R-NY)

Bottle Bill

AMENDMENT TO SOLID WASTE DISPOSAL ACT INTRODUCED IN HOUSE

Representative Lynn Rivers (D-MI), for the third time, has introduced a bill that would amend the Solid Waste Disposal Act to require a 10-cent deposit on most beverage containers smaller than one gallon. States with existing similar laws or those proving an 80 percent container recycling rate would be exempt from the Rivers proposal.

Ten states have container deposit laws: California, Connecticut, Delaware, Iowa, Maine, Massachusetts, Michigan, New York, Oregon and Vermont. The bill has been referred to the House Energy and Commerce Committee.

TRANSPORTATION

Transportation Budget

PROGRAMS FAIR WELL OVERALL IN FUNDING PROPOSAL

In President Bush’s proposed budget, transportation programs overall have fared well.

Both the Transportation Equity Act for the Twenty First Century (TEA-21) and the Aviation Investment and Reform Act for the 21st Century (AIR-21) are fully funded at their authorized levels. The budget outline sets funding levels for highways at $32.3 billion, $2 billion over current levels. Mass transit is funded at $6.7 billion, a $486 million increase over current levels.

The Revenue Aligned Budget Authority (RABA) funding has produced higher than expected gasoline tax revenue for the Highway Trust Fund and is responsible for $4.5 billion of the $32.3 billion in highway spending in the President’s proposed budget. RABA funds are in accordance with the funding guarantees in TEA-21.

However, the Administration has proposed diverting some of the RABA money into a new proposed program—the New Freedom Initiative. This initiative would include pilot programs for innovative transportation ($45 million to promote alternative transportation for people with disabilities and $100 million in matching grants for alternative transportation for the disabled with community based organizations being the intended grant recipients).

The proposal includes a decrease of $2.1 billion in discretionary spending for transportation with the Administration stating that the cut is not truly a cut but a non-renewal of over $2 billion in special one-time projects added at the end of last year.

Federal aviation programs are funded at $13.3 billion, a $725 million increase over current levels. Included is $6.8 billion for Federal Aviation Administration (FAA) operations, $3.3 billion for the Airport Improvement Program (AIP) and $2.9 billion for facilities and equipment.

TEA-21 Task Force

APWA GROUP HOLDS FIRST MEETING

Work began identifying priorities and drafting guiding principles for the reauthorization of the Transportation Equity Act for the 21st Century (TEA-21) during the first session of the APWA TEA-21 Task Force held March 19-20, 2001.

Meeting in APWA’s Washington office, the Task Force hosted Capitol Hill staff members from the Senate Environment and Public Works Committee and the House Transportation and Infrastructure Committee. Both committees have jurisdiction over the federal transportation program.
TEA-21 is to expire in 2003 and the Task Force is the appointed body responsible for drafting and recommending policy to the Government Affairs Committee. This policy, after approval by the Board of Directors, will guide APWA through the legislation reauthorization process. Don LaBelle, Public Works Director for Alameda County, CA, Chairs the Task Force.

**Environmental Streamlining Letter**

**SENATORS URGE TRANSPORTATION SECRETARY TO REPROPOSE RULES**

Chairman of the Senate Environment and Public Works Committee Chair Robert Smith (R-NH), joined by Ranking Chair Harry Reid (D-NV), Senators James Inhofe (R-OK) and Max Baucus (D-MT) have sent a letter to Transportation Secretary Norman Mineta urging the withdrawal of the proposed environmental streamlining regulation, the reproposal of a new rule and the completion of a final rule by the end of the year. (The environmental streamlining rule is part of a triple-headed regulation package that includes Intelligent Transportation System architecture and state and local transportation planning. APWA’s position is to separate the controversial environmental streamlining part and proceed with the architecture and planning segments.)

**Pipeline Safety**

**HOUSE AND SENATE BILLS WOULD TOUGHEM REQUIREMENTS**

Prompted by two major accidents in recent years involving pipelines and claiming several lives, one in Bellingham, WA and the other in Carlsbad, NM, the 107th Congress has seen the introduction of several pipeline safety bills.

**IN THE SENATE:** Senator John McCain (R-AZ) has introduced the Pipeline Safety Improvement Act of 2001, S 235. The bill calls for pipeline testing every 5 years, with some exceptions. Further, S. 235 would require pipeline operators to develop a plan to improve the qualifications of their personnel, and require operators to report all oil spills over 5 gallons instead of the current standard of 42 gallons. In addition, whistle blower protection would be given to employees providing information on possible operator violations. Advisory committees would be set up to address state and local concerns and make recommendations to the Office of Pipeline Safety (OPS). S 235 passed the Senate in February.

**IN THE HOUSE:** Representative James Oberstar (D-MN) has introduced his bill, the Pipeline Safety Act of 2001, HR 144. Representative Oberstar claims that his bill is tougher then the McCain proposal calling for inspections of pipelines at least every 5 years, without exception. It requires operators to submit updated reports on the condition of their pipelines annually, publicly disclose the location of all pipelines, and specifies more defined guidelines for the qualification of pipeline workers. Although the Senate bill addresses each of these issues, it would leave much of the planning to OPS. HR 144 includes a study on minimizing encroachment on public rights-of-way, and increases research and OPS funding at levels greater than S 235.

Representative Rick Larsen (D-WA) also has recently introduced his own legislation, the Pipeline Safety Enhancement Act of 2001, HR 459. Representative Larsen maintains that his bill calls for even tougher standards than other pipeline safety bills introduced thus far. HR 459 calls for inspections at least once every 5 years, would provide opportunity for local input on honest disclosure and management and spells out stringent operator safety procedures. Also included is whistle-blower protection for employees was report violations, and it would require the reporting of spills of 5 gallons or more. HR 459 calls for a study of fines and penalties imposable by the US Department of Transportation (US DOT), a study of pipeline rights-of-way and the environment as well as a study on population encroachment.

**EMERGENCY MANAGEMENT**

**Proposed FEMA Budget Cuts**

**NO FUNDS PROPOSED FOR PROJECT IMPACT AMONG OTHER REDUCTIONS**

President Bush’s proposal for the Federal Emergency Management Agency (FEMA) includes heavy cuts, some of which are controversial, including zeroing out the $25 million Project Impact program, citing it “has not proven effective.” The proposal also includes a provision that insurance be carried on all public buildings as a requirement for eligibility for federal assistance.

For core operations, the proposed budget funds FEMA at $2 billion, including $1.4 billion for prior-year disasters. Current funding levels for the Emergency Food and Shelter Program are maintained.

In addition to the savings from cutting Project Impact, the budget assumes an $83 million savings by a reduction in the federal share for funding under the Hazard Mitigation Grant Program from the current 75% federal to 50% federal. State and local governments are responsible for matching these funds. The Fire Grant Program has also been proposed for phase-out stating that it “does not represent an appropriate responsibility of the federal government.”

The President calls for reform of the National Flood Insurance Program in that it would no longer provide flood insurance coverage for “repetitive loss” properties. Finally, FEMA would be directed to develop guidelines for federal disaster declarations. The President’s line-item budget is due out the first week of April.
Hazard Mitigation Publications
TWO NEW BOOKLETS AVAILABLE

ADVOCACY TIP OF THE MONTH: Remember what Mom said—“Do your homework” before you call on a legislator or media representative. Know their positions and be prepared to state yours briefly and in simple terms. An outline helps.

*Information for this report was contributed by Beth Denniston, Jim Fahey, Andrea Fisher, Heather McTavish and Dennis Ross.*

The Washington Report is edited by Beth Denniston