Congress is set to adjourn for a month long recess starting on August 6th. Much of the attention the past few weeks has centered on the reauthorization of SCHIP, which could pass the House before Congress adjourns for recess, and reauthorization of the Farm bill.

Please note that another edition of the IGA Legislative Update will come out next week, and will include a wrap up of recent Congressional activity as well as the status of the appropriations bills.

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Education
The Senate voted on Tuesday on legislation to reauthorize the primary laws governing colleges, universities and federal aid programs. A sticking point was an amendment offered by Senator Harry Reid (D-NV) that would expand the Secretary of Education’s role in policing illegal “peer-to-peer” file sharing on college campuses. An amendment offered by Senator Richard Durbin (D-IL) would offer loan assistance to public prosecutors and defenders. This amendment was adopted by voice vote after members accepted a second-degree amendment by Senator Tom Harkin (D-IA), to allow qualified legal aid lawyers to also receive loan assistance. Senator Christopher Dodd (D-CT) is working on a provision to require increased disclosures for lenders offering loans to students. The text of this amendment is still being worked on. The underlying bill is a bipartisan effort being led by Senators Kennedy (D-MA) and Michael Enzi (D-WY) to renew for five years the law governing higher education and financial aid programs (PL 105-244).

Transportation
Earlier this week, Republicans expressed a desire to attempt to cut funding for Amtrak in the $104.4 billion fiscal 2008 Transportation-Housing and Urban Development appropriations bill. Republican fiscal conservatives will attempt to bring the bill (HR 3074) more in line with President Bush’s request. Currently, the measure would provide $4.1 billion more than the President requested and $5.9 billion more than enacted in fiscal 2007 (PL 110-5). The bill would currently fund passenger rail service at $1.4 billion, $500 million more than the President requested.

Health
House Energy and Commerce Chairman John Dingell (D-MI) postponed a vote on SCHIP after he received criticism from Republicans for moving too quickly on the bill. Chairman Dingell postponed action until today on the bill. According to the Congressional Budget Office, the bill is estimated to cost $130 billion over 10 years. It seems that Republicans are withholding their support because they claim that they were given less than 24 hours to review the 465 page bill. Representative Joe Barton (R-TX), the panel’s ranking member, accused Chairman Dingell of secretly drafting the bill and trying to move the bill in an expedited schedule in order to avoid public scrutiny.

The Democrats’ bill includes a $50 billion increase in SCHIP over the next five years. Currently, SCHIP covers six million low-income children whose families are poor but don’t qualify for Medicaid. Along with the expansion of the program, the bill includes cuts to the Medicare and Medicaid Advantage
program, which is a program in which private insurers provide benefits in place of the government. The cuts to the Advantage program are expected to yield $157.1 billion over 10 years. The bill also includes an increase in tobacco taxes, a 45-cent increase in the cigarette tax which will bring the tax to 84 cents per pack.

Representative Barton and a group of his allies introduced their own SCHIP renewal bill Wednesday. Barton’s measure, which is narrower than the Democratic proposal, focuses on reauthorizing SCHIP. The proposal would reduce eligibility for the program, limiting it to only children whose families earn no more than twice the poverty level. States that cover 90 percent of children in that income bracket could expand coverage slightly, to children from families earning 250 percent of the poverty level. Barton estimates that his bill would cost $5 billion to $10 billion extra over five years, which would also be offset by cuts to Medicare and Medicaid. Barton’s bill would prevent states from using an “income disregard” policy to increase eligibility for SCHIP. The “income disregard” policy allows families to credit qualifying expenses such as child care or car payments against their income for the purposes of qualifying for the program. Barton’s bill would ban families with incomes greater than $500,000 from obtaining SCHIP coverage and would require proof of citizenship prior to enrollment.

In other health news, a Senate committee approved two health-related bills. One is intended to improve the lives of those suffering from Alzheimer’s disease and the other is intended to improve the lives of those with paralysis. The paralysis measure (S 1183), named after the late Christopher and Dana Reeve, would expand research on paralysis at the National Institutes of Health (NIH), and setup a network to allow patients and their families to learn the result of clinical trials on paralysis rehabilitation drugs. The Alzheimer’s bill (S 898) would authorize a boost in NIH funding for research on the disease from $640 million to $1.3 billion over the next four years.

Also, a tobacco regulation bill appears to be headed to the floor of the Senate. The legislation (S 625) would give the Food and Drug Administration authority over tobacco advertising and would require the FDA to hire additional staff. These new operations would be funded by a user fee paid by tobacco manufacturers, which would amount to $0.025 per pack of cigarettes. Opponents of the bill are expected to weaken the bill with “poison pill” amendments and various procedural tactics. Efforts to kill the bill will most likely be led by tobacco-state Republicans, such as Minority Leader Mitch McConnell of Kentucky and Richard Burr of North Carolina.

The House Judiciary Committee approved legislation Wednesday that would alter HIV testing requirements for prison inmates. The bill, sponsored by Maxine Waters (D-CA), would make testing optional, except for those who are exposed to the risk of HIV infection. Under current law, inmates sentenced to six months or more in prison are required to be tested only if it is determined that they are at risk for HIV. Under the proposal, inmates could request testing once a year and receive confidential counseling before and after testing for HIV. The Bureau of Prisons would be required to report to Congress on its procedures for testing, treating and preventing hepatitis and other diseases that can be transmitted sexually or through intravenous drug use. The Bureau would also be required to give lawmakers statistics on HIV results for inmates.

**Agriculture**

On July 19, 2007, the House Agriculture Committee approved by voice vote the Farm, Nutrition, and Bioenergy Act of 2007 (H.R. 2419). The $287 billion bill, otherwise known as the 2007 farm bill, is the product of several subcommittee mark-ups, along with the three day mark-up that occurred last week. Among the more notable changes within the reauthorization bill is language barring farmers who make more than $1 million in adjusted gross income from collecting government subsidies. The language also
does away with payments to farmers who earn between $500,000 and $1 million a year, if less than 67 percent of that income comes from farming. Current law states that farmers receiving over $2.5 million annually are banned from receiving subsidies. The bill also increases the amount of individual payments that qualified farmers are able to collect from $40,000 to a maximum of $60,000 a year in direct payments.

Another notable change in the 2007 farm bill is the provision that provides farmers a one-time choice between participating in the current counter-cyclical payments program, which is based on prices in relation to target levels, or a counter-cyclical program based on national revenue in relation to specified revenue levels per acre. This plan is similar to those backed by corn growers and the Bush Administration.

As a result of the increasing demand for renewable energy, the market prices for commodities such as corn and soybeans have risen dramatically in recent years. In effect, high commodity prices led the Congressional Budget Office to project that total farm support spending under current law over the next six years will be $70.9 billion, nearly $33 billion less than the actual amount spent over the last six years (FY2002-FY2007). In turn, the lower CBO budget baseline combined with numerous calls for reform from the Bush Administration, Democratic leadership, free-market GOP, and a mix of interest groups have placed increasing pressure on House Agriculture Chairman Collin Peterson (D-MN) to produce a bill that resembles reform, while retaining the much needed 218 votes on the House floor.

In a Statement of Administration Policy issued on July 25th, President Bush issued a veto threat on the current form of the bill. The farm bill is set to go to the House floor July 26, 2007.

REAL ID
During the Homeland Security Appropriations debate on the Senate floor on Wednesday, Senator Lamar Alexander (R-TN) offered an amendment that would provide $300 million for grants to help states comply with the 2005 REAL ID Act (PL 109-13). The amendment would be offset by imposing a 0.8 percent cut across the entirety of the appropriation. A vote has not yet been taken on this amendment. Currently, the Senate Homeland Security spending bill does not contain funding for REAL ID. The House-passed bill contains $50 million in REAL ID grant funding.

Homeland Security
The Senate began debate on the Homeland Security Appropriations bill (S. 1644) on Wednesday; however, the debate quickly turned into a stalemate over the issue of immigration. Senator Lindsey Graham (R-SC) sought to add funding for additional Border Patrol agents, more detention beds and accelerated construction of a “virtual” and physical fence along the U.S.-Mexican border. This funding would have been classified as emergency spending and would not have been counted against the appropriations bill’s discretionary spending allocation. Majority Leader Harry Reid (D-NV) raised an objection to this, noting that Graham’s amendment would also require the Homeland Security Department to detain foreigners who overstay their visas and allow state and local law enforcement officers to enforce immigration laws. Reid noted that authorizing language is not supposed to be part of appropriations measures.

The Senate’s $37.6 billion spending bill exceeds the President’s request for programs funded in the bill by $2.2 billion. As a result, the White House issued a veto threat on the bill on July 25th. Currently, the Senate bill provides $400 million for port security grants; $529.4 million for airport explosive detection devices; and $1.83 billion over the President’s budget request for emergency first responder grants and training efforts.
**Environment**

Lawmakers are close to a compromise on water resources legislation that could clear Congress before the August recess. The ranking Republican on the House Transportation and Infrastructure Committee, John Mica (R-FL), indicated that the bill is 98 percent wrapped up. House Republicans appointed conferees July 24, and Democrats did the same on Wednesday. Both the House and Senate passed legislation that the Congressional Budget Office estimated would authorize $15 billion for water projects throughout the country. House Majority Leader Steny Hoyer (D-MD) has indicated that the water resources bill is one of several bills that House leaders are hoping to finish before the recess.

Also this week, Republican John Warner (R-VA), with three colleagues, introduced legislation to create an oversight board similar to the Federal Reserve Board to oversee any future “cap and trade” program for greenhouse gas emissions. The bill would address concerns that mandatory limits on greenhouse gas emissions could impose excessive costs on industry and cause job losses. The bill set up a Carbon Market Efficiency Board that would have the authority to implement cost-relief measures if the price of a cap-and-trade program exceeded expectations. The board could adjust the short-term cost of the program by distributing extra emissions permits to businesses, while ensuring that the cap on pollution remained the same over the long term. It could also expand the ability of individual companies to borrow emissions allowances and repay them in the future.