Dear IGA Committee Members,

Time is almost here for the CSG Spring Meeting, May 29th – June 1, 2008, CSG’s 75th Anniversary Celebration. For more information about the meeting, please go to: http://www.csg.org/meetings/spring.aspx. I hope to see you in Lexington.

Kristi Guillory
Assistant Counsel & Senior Policy Analyst

---

**Health**

Last week, Congress sent President Bush a bill (HR 493) forbidding employers and insurance companies from using genetic tests to discriminate against people who are at risk of developing cancer, heart disease or other ailments in order to reject their job applications, promotions or health care coverage. President Bush is expected to sign the Genetic Nondiscrimination Act, which lawmakers and advocates have termed “the first major civil rights act of the 21st century.” Currently, federal law bans discrimination by race and gender, but not on the basis of genetic information. The legislation would prohibit health insurance companies from using genetic information to set premiums or determine enrollment eligibility. Employers would also be restricted from using genetic information in hiring, firing or promotion decisions. The House voted for the legislation Thursday, a week after it passed the Senate.

Last week, the Senate passed a bill to reauthorize the Healthy Start program. The legislation (S. 1760) would authorize $120 million in each fiscal years 2008 to 2013. The legislation would also provide for new projects aimed at reducing infant mortality. The Healthy Starts program, which is funded through the Health Resources and Services Administration, which is a part of the U.S. Department of Health and Human Services, provides federal funding to communities with high infant mortality rates in an effort to improve prenatal care. The last authorization of the Healthy Starts program expired in 2005.

Last week, Senate Republicans slowed down a bill that would postpone new Medicaid regulations. Majority Leader, Harry Reid (D-NV), put the bill on a fast track last week. The Medicaid bill (HR 5613) would delay until next April seven regulations the administration has issued or plans to issue this year. These rules would end federal
reimbursement for some Medicaid services, narrow reimbursement for others and end some accounting methods used by some states. Currently, the federal government picks up about 57 percent of Medicaid costs and the federal share is estimated at $204 billion in 2008.

**Education**
The primary law authorizing the nation’s student loan and grant programs lapsed last Thursday, but it is anticipated that the House is expected to clear another extension of the law on Monday. The Senate passed a bill (S 2929) to extend the Higher Education Act through May 31. House Democratic leaders tried to clear the bill by voice vote April 30, but Minority Leader John Boehner (R-OH) objected and the House did not clear it before the law expired. Boehner and Republicans are angry that House Democrats may skip the Appropriations Committee markup process and bring the bill directly to the House floor. Negotiators are making progress on legislation to overhaul and renew the law, but they did not have a deal ready to move by Wednesday, when the current short-term extension expired.

Last Wednesday, the House cleared a bill authorizing federal funds to build “green” public schools and to help repair schools damaged by hurricanes Katrina and Rita. The legislation, HR 3021, would authorize $6.4 billion for school construction projects for fiscal 2009 and “such sums as necessary” for the next four fiscal years. The bill would also authorize $500 million over five years to help reconstruct and renovate public schools damaged by the hurricanes in 2005. This legislation requires the federal funding to go toward schools built according to certain environmental standards such as those set by the Energy Star rating system.

**Transportation**
President Bush has stated that he will not rule out support for a temporary suspension of the federal gas tax during the summer months. Senator John McCain (R-AZ) is proposing that Congress suspend the 18.4 cent-per-gallon gasoline tax from Memorial Day to Labor Day. The two Democratic Presidential candidates are divided on the issue with Senator Hillary Clinton (D-NY) supporting the suspension and Senator Barack Obama (D-IL) stating that McCain’s proposal is not a real solution to the rising gas prices.

The Department of Transportation announced that the city of Chicago will receive $153 million grant to implement congestion reduction plans. The funds will be used to create four rapid transit pilot routes, which will use dedicated lanes and will implement technology that will give buses right-of-way at certain intersections. The plan also includes raising parking meter rates during the morning and evening rush hours. Federal funding is contingent on the city and the Chicago transit authority authorizing the changes. The city must also privatize its parking meter system and sign a contract to that effect before December 31, 2008. Earlier this month, the DOT announced a similar congestion pricing grant for Los Angeles.

**Financial Services**
A major piece of legislation aimed at stabilizing the housing market is headed to the House floor this week. The bill, HR 5830, was approved by the House Financial Services Committee last Thursday and will mark the most significant congressional attempt to date to slow the pace of foreclosures. The legislation hopes to slow foreclosures through an expansion of the Federal Housing Administration’s (FHA) loan guarantee program. Financial Services Chairman Barney Frank (D-MA) hopes that Congress can clear the legislation for the President’s signature before the July Fourth recess. The White House suggests that there would be willing to negotiate on this legislation. Here are some of the key provisions of the legislation: 1) FHA would provide up to $300 billion in new guarantees to help homeowners; 2) existing lenders who participate would receive payment of no more than 85 percent of the property’s current value; 3) the government would be liable if the borrower defaulted and the amount of money recovered in foreclosure was below the outstanding principal; 4) refinanced loans must have originated on or before December 31, 2007 and 5) the program would sunset after two years with the option for a six-month extension for up to two additional years.

Agriculture
Earlier this month, the House and Senate initiated formal negotiations on the farm bill (H.R. 2419). While House and Senate negotiators have made substantial progress in the past two weeks, Congress was forced to adopt a one-week extension (S. 2903) of the 2002 farm law on April 25. Following the passage of the fourth short-term extension, which is set to expire on Friday, May 2, leading House and Senate negotiators announced that significant headway had been made on the major impediment preventing Congressional passage of the bill, which is funding. The agreement, according to House and Senate leadership, would allow approximately $10 billion in extra spending and tax breaks over the bill’s $560 billion, 10-year baseline. Much of these additional funds would be directed to large increases in several areas of the farm bill, including nutrition assistance, specialty crops, and conservation programs. The legislation would also establish a permanent agriculture disaster aid fund, which would help to compensate farmers and ranchers for disaster loses for crops and livestock. The President has continued to assert that he will veto a bill that does not provide for significant farm policy reform. Additional information on the farm bill may be found on the Senate Agriculture, Nutrition and Forestry Committee’s webpage: http://agriculture.senate.gov/.

Homeland Security
The House Energy and Commerce Telecommunications and the Internet Subcommittee recently commissioned a hearing to sift through the results of the Federal Communications Commission (FCC) auction of the 700 megahertz (MHz) wireless spectrum, which includes enough capacity to help create a nationwide broadband network that can deliver faster speeds than existing cellular data networks. The spectrum, currently used for broadcast television, is expected to be used by those telecommunication companies with winning bids to roll out fourth generation broadband wireless services. While the auction generated nearly $20 billion in revenues for the government, the FCC failed to attract a winning bidder for the public safety communications network, or rather the spectrum’s D-block. According to the FCC, the telecommunications company submitting the winning bid for the spectrum’s D-block
would be required to build a commercial network that could also be used for first responder communications. While the network would be available to commercial operators, first responder traffic would be given priority during a disaster or emergency. Congress and the Administration are currently divided as to whether the FCC should proceed with a secondary auction of the spectrum’s D-block.

**Environment**

Senate Majority Leader Harry Reid (D-NV) announced earlier this month that the Senate is scheduled to begin debate on climate change legislation, America’s Climate Security Act (S. 2191), on the Senate floor beginning on June 2, 2008. The legislation, introduced by Senators Joe Lieberman (D-CT) and John Warner (R-VA), would aim to reduce greenhouse gas (GHG) emissions through a cap-and-trade program. The program, in which the government would cap annual GHG emissions at a certain level and distribute credits that can be traded, would aim to reduce GHG emissions by approximately 70% of 2005 levels in the year 2050.

Additional information on America’s Climate Security Act may be found here: [http://lieberman.senate.gov/issues/globalwarming.cfm](http://lieberman.senate.gov/issues/globalwarming.cfm).