Dear IGA Committee Members,
It seems that the House will spend most of July considering fiscal 2009 spending bills according to Appropriations Chairman David Obey on Wednesday. It is unclear how many of the 12 fiscal 2009 bills will be completed since appropriations bills are typically brought under an open rule which has no limits on how many amendments can be offered.

This is my last IGA Legislative update. I am leaving CSG after over two and a half years. It has truly been a pleasure meeting and working with such a dedicated group of public servants. I wish you all the best.

Kristi Guillory
Assistant Counsel & Senior Policy Analyst

Supplemental
The Senate is taking up the war supplemental bill (H.R. 2642) that would provide $162 million to the Defense Department for the wars in Iraq and Afghanistan. The Senate is expected to take up this bill today and clear it for the President’s signature prior to adjourning for the July Fourth recess. Funds for the Low Income Home Energy Assistance Program may be included in this supplemental as well as funding for the Byrne law enforcement program, additional aid for Hurricane Katrina recovery, and funds for the Community Oriented Policing Services program. The recent flooding in the Midwest appears to be a likely target of funds in this second supplemental spending bill.

Health
Senate Majority Leader Harry Reid has indicated that clearing a Medicare bill was one of his top priorities before Congress breaks for the July Fourth recess. However, as of Wednesday night, there isn’t a specific plan to do so. Reid is expected to seek agreement to move the bill (S. 6331) this week. The bill would stop a 10.6 percent cut to Medicare’s physician payment rates which are scheduled to take effect July 1. The bill will still face a veto threat even with both sides coming to an agreement. The White House opposes a provision that would partially offset the cost of the bill by cutting some bonus payments to private Medicare Advantage plans in areas with teaching hospitals. Medicare Advantage plans are paid at a higher rate than traditional Medicare, and Democrats have long argued that the private plans’ rates should be cut.

Yesterday, a House panel approved bipartisan legislation that would encourage the widespread adoption of electronic records in the health industry. The bill, H.R. 6357,
was approved by the House Energy and Commerce Health Subcommittee by voice vote. There is agreement that the use of electronic medical records can improve efficiency and reduce medical errors. However, legislation aimed at encouraging technology’s adoption has been stalled by concerns about privacy, cost and over-regulation. The Dingell-Barton bill would authorize $575 over five years to provide grants and loans to health providers to buy health IT systems. The bill would create a system of advisory panels to recommend technical standards for the technology. A similar bill in the Senate has been stalled for several months.

**Banking & Financial Services**

Senate lawmakers are moving closer to passing comprehensive housing legislation. However, working out last minute amendments could slow down the measure’s progress before the Fourth of July recess. Both the Senate and the House measures include a plan aimed at helping struggling homeowners refinance homes that they can’t afford as well as a regulatory overhaul of Fannie Mae and Freddie Mac. This legislation includes a $300 billion expansion of the Federal Housing Administration’s insurance programs to back refinanced loans. An amendment to the bill that would extend several expiring renewable-energy tax breaks could stall final consideration. Majority Leader Harry Reid (D-NV) said that Banking Chairman Christopher Dodd (D-CN) would try to work out an agreement on amendments to expedite action. The Senate is also expected to take up an amendment that would strike $3.9 billion in community block grants for the purchase and rehabilitation of foreclosed properties. The White House has expressed opposition to this provision. House Financial Services Chairman, Barney Frank (D-MA), said that he is open to dropping the grants provision if this will speed up the bill’s passage.

**Education**

The House cleared this year’s seventh extension of the Higher Education Act, the primary law overseeing the nation’s colleges, universities and federal financial aid. Disagreements over several provisions have slowed the bill’s progress. The new extension (S. 3180) would authorize programs under the law (P.L. 105-244) through July 31. Senator Barbara Mikulski (D-MD) has been overseeing negotiations on the bill since Senator Edward Kennedy’s illness.

The House Education and Labor Committee plans to continue work Thursday on legislation that would authorize federal grants aimed at encouraging states to improve early childhood education. The panel adopted a handful of amendments to the measure (H.R. 3289) including one that would allow grant money to be used for training for teachers. The Committee adopted a series of amendments designed to improve preschool programs in rural areas.

**Transportation**

Senators James Inhofe (D-OK) and Barbara Boxer (D-CA) and 67 other senators of both parties sent a letter to the Senate Finance Committee leadership on June 20 to urge a resolution of the Highway Trust Fund deficit this fiscal year. The letter stated that states face the possibility of a $14 billion cut in federal highway funding in fiscal year 2009,
resulting from a slump in projected gasoline tax revenues to the Highway Trust Fund caused by the recent economic downtown and rising energy prices. If left unaddressed, the shortfall could cost more than 485,000 jobs in fiscal 2009 according to the letter.

Energy
Soaring energy costs continue to take center stage in Congress as lawmakers struggle over competing energy initiatives. On Thursday, the House was set to take up a scaled back energy agenda in advance of the upcoming July 4 recess. Facing an uphill battle, House lawmakers plan to vote on a “use it or lose it” bill (H.R. 6251), which would essentially bar oil companies from obtaining new federal oil and gas leases unless they are “diligently” working to develop their currently non-producing tracts of land already subject to existing leases. According to the bill’s sponsor, Natural Resources Committee Chairman Nick Rahall (D-WV), 68 million acres of federal lands, both onshore and offshore, which have the potential to produce an additional 4.8 million barrels of oil each day, are leased to oil and gas companies but are currently sitting idle.

The House is also expected to vote on a draft resolution calling on the Commodity Futures Trading Commission (CFTC) to use its existing administrative power to curb speculation in the oil futures market. This resolution comes after the House Agriculture Committee postponed the consideration of a bill (H.R. 6334) on Tuesday that would authorize funding for the Commodity Futures Trading Commission (CFTC) to hire an additional 100 employees and require more transparency for oil trading on overseas exchanges. Senate Majority Whip Dick Durbin (D-IL) introduced similar legislation (S. 3130) on June 12, 2008.

Lawmakers are also expected to vote on the Saving Energy Through Public Transportation Act of 2008 (H.R. 6052), which would authorize $1.7 billion over two years for operating expenses for mass transit systems as well as for fare reduction and service expansion. The legislation would authorize 750 million annually for 2008 and 2009 for mass transit operating expenses in urbanized areas of 200,000 people or more, and 100 million annually for non-urban mass transit systems. The bill would also expand a transit subsidy program for federal employees. Although the White House stated its opposition to the legislation, a specific veto threat has not been issued.

Also this week, the House Appropriations Committee approved its version of the FY 2009 Energy and Water spending bill. As approved by the Committee, the bill would provide $295 million for the Energy Efficiency and Conservation Block Grant program, $1.6 billion for energy efficiency and renewable energy research and development, and $250 million for Weatherization Grants. The bill would also provide $5.3 billion for the Army Corps of Engineers and $957 million for the Bureau of Reclamation.

Environment
In an unusual move on Wednesday, the House Natural Resources Committee adopted an emergency resolution that will force the Secretary of the Department of Interior to restrict uranium mining near the Grand Canyon. The resolution invokes a legal provision contained in the Federal Land Policy and Management Act of 1976 (P.L.94-579), which
allows the Committee to adopt the resolution without further action required by the full House or Senate. Under P.L. 94-579, either the House Natural Resources Committee or Senate Energy and Natural Resources Committee can adopt this type of resolution without further Congressional approval if “extraordinary measures must be taken to preserve values that would otherwise be lost.” The resolution, as adopted by the House Committee, would direct the Interior Secretary to withdraw over a million acres in the Grand Canyon area from uranium mining for up to three years. The Committee’s adoption of the resolution on Wednesday represents the fourth time Congress has exercised this authority, the most recent instance occurring in 1983.

**Homeland Security**
The House on Wednesday passed legislation (H.R. 3546) to reauthorize the Edward Byrne Memorial Justice Assistance Grant (Byrne JAG) program at $1.095 billion annually through fiscal year 2012. The program, established in the 1988 Anti-Drug Abuse Act (P.L. 100-690), provides assistance to state and local law enforcement agencies for efforts such as drug task forces, gang prevention, and other crime prevention initiatives.

Despite the successes of the program, Congress slashed funding for the Byrne JAG program in FY 2008 by 67-percent, from $520 million in FY 2007 to just $170.4 million. However, last week the Senate Appropriations Committee provided $581 million for the law enforcement grant program for FY 2009. The House version of the FY 2009 appropriations bill, which was approved by the Appropriations Committee on Wednesday, would provide $550 million for the program.

**Telecommunications**
Congress cleared legislation (H.R. 3403) for the White House this week that would update the nation’s laws regarding emergency 911 calls on internet phone services. The 911 Modernization and Public Safety Act of 2007 would promote and enhance the deployment of Internet Protocol-enabled (IP-enabled) 911 and Enhanced 911 (E-911) services, and encourage the nation’s transition to a national IP-enabled emergency network. The legislation would also allow Voice over Internet Protocol (VoIP) providers the legal authority to access the existing 911 infrastructure to deliver emergency calls and provide location and call back information on those calls.