

Washington Update

COUNTY OF SANTA BARBARA

August 20, 2010

FY 2011 APPROPRIATIONS PROCESS

The logjam in this year's appropriations process was broken at least temporarily in July, and work moved forward on most of the FY 2011 appropriations bills. To date, the various House and Senate Appropriations Subcommittees have drafted almost all of the bills under their respective jurisdictions, and in the Senate most bills have also been approved at the full committee level. However, the full House Appropriations Committee has not yet taken up any of the FY 2011 spending measures. When Congress left for its August recess, the prevailing assumption was that it is unlikely that many - if any - of the appropriations bill will be completed by the October 1 start of the new Federal Fiscal Year, and it is more likely that a "continuing resolution" will be used to keep the government operating until a lame duck session after the November elections.

Due to the House Republican moratorium and the general downward pressure on earmarks in this election year, the number of projects is dramatically less than in previous years. So far, the following proposals have been included:

- \$250,000 for Lower Mission Creek, as requested by Senator Feinstein;
- \$450,000 for the Lompoc Veteran's Building, as requested by Senator Boxer; and
- \$650,000 for the Highway 101 Carpenteria Creek Bridge project, as requested by Congresswoman Capps.

Funding for these projects will not be finalized until the measures have been passed by both the House and Senate, and joint conference committees are convened to negotiate the final bills.

MEDICAID FMAP FUNDING

As the Senate prepared to adjourn for the August recess, we continued to advocate in

support of efforts to extend the Federal Medical Assistance Percentage (FMAP) enhancement implemented by last year's stimulus package for an additional six months. Just before recessing, the Senate approved an amended version of H.R. 1586, stripping out previous language related to aviation safety and inserting provisions to provide \$16.8 billion for an additional six months of the FMAP enhancement. Under the legislation, California will receive approximately \$1.28 billion in additional funding. The funding is 100% offset by cuts in other programs. Since the House had already left for the August break, Speaker Pelosi called members back from the recess to vote on the Senate-passed measure and we urged our local delegation to support the bill. It was approved largely along party lines on August 10, and signed into law by President Obama the same day.

ENERGY EFFICIENCY PROGRAMS

Early in July we were alerted that the Federal Housing Finance Agency (FHFA) was about to issue new requirements that would not allow residential property owners with Fannie Mae and Freddie Mac mortgages to participate in Property Assessed Clean Energy (PACE) programs because PACE liens would be senior to their mortgage debt. We immediately contacted the Administration, Senators Boxer and Feinstein and the local House delegation to make them aware of the disastrous impact this would have on AB 811-related efforts in the County. When appeals to FHFA by the Administration - including a personal appeal by Vice President Biden - were apparently unsuccessful in swaying the independent agency, Congressman Thompson (D-CA) introduced H.R. 5766, the *PACE Assessment Protection Act*, to resolve the issue. We are working with NACo and other stakeholders on the problem and are lobbying House Financial Services Committee Chairman Frank (D-MA) to expedite action on H.R. 5766. We also asked local delegation members to support the measure. Congress-

woman Capps is now a co-sponsor of H.R. 5766 and Senator Boxer has introduced a companion bill as S. 3642. Chairman Frank has clearly stated not only his awareness of the PACE issue, but also his viewpoint that Fannie Mae and Freddie Mac may very well be abolished all together within a year.

MITIGATION OF OIL SPILL DISASTERS

We contacted the various committees of jurisdiction to advocate the County's support for an increase in liability for oil spill disasters, as well as increasing the associated civil and criminal penalties under the Outer Continental Shelves Land Act (OSCLA). In particular, we specifically advocated for provisions included in Congresswoman Capps H.R. 5459, the *Outer Continental Shelf Lands Act Amendments Act* and its Senate companion, S. 3346, and Congressman Holt's (D-NJ) H.R. 5214, the *Big Oil Bailout Prevention Act* and its Senate companion, S. 3305. Numerous hearings have been held, and on June 29, House Transportation and Infrastructure Committee Chairman Oberstar (D-MN) introduced H.R. 5629, the *Oil Spill Accountability and Environmental Protection Act*, which would completely lift any caps on liability related to oil spills. His committee approved the legislation on July 1. Subsequently, when Senate Majority Leader Reid (D-NV) released his pared down version of omnibus Energy legislation late in July as S. 3663, the *Clean Energy Jobs and Oil Company Accountability Act*, he also included provisions to require polluters to pay the full costs of oil spills. Senator Reid was unable to move the bill before the recess, and the prognosis on further action on energy-related legislation this year is unclear.

CLIMATE CHANGE LEGISLATION

Last year, the House passed H.R. 2454, the *American Clean Energy and Security Act*, which focused on cap and trade provisions to address climate change. The issue has had a much tougher time in the Senate, as other legislative initiatives such as health care and financial services reform not only ate up a considerable amount of the legislative calendar, but also blunted hopes for bipartisan

support for climate change. While Senators Kerry (D-MA) and Lieberman (I-CT) finally introduced their long-awaited *Clean Energy Jobs and American Power Act* earlier this year as S. 1733, the Senate Democratic leadership scaled back its efforts at far reaching climate change legislation. The BP oil disaster re-focused efforts on the possibility of an energy bill that could also carry limited climate change provisions. But at this point the Democratic majority is having extreme difficulty in overcoming the 60 vote hurdle needed to cut off debate and prevent a filibuster, and it unlikely that substantive climate change provisions can be attached to that bill and passed in this Congress.

JESUSITA FIRE FUNDING

We contacted Senators Boxer and Feinstein, Congresswoman Capps, and Congressman Gallegly to urge them to advocate in support of funding for FEMA's Fire Management Assistance Grant (FMAG) in the *FY 2010 Supplemental Appropriations Act*. Additional funding was needed for the program to enable FEMA to reimburse the County's already-approved claim for \$1.8 million for the Fire Departments' emergency disaster response activities during the May, 2009 Jesusita Fire. Both the House and Senate versions of the supplemental funding bill included \$5.1 billion for FEMA disaster relief funding, including FMAG. Negotiations stalled over the inclusion of \$23 billion for local school districts to prevent layoffs, but after several weeks of haggling, the House and Senate approved the final version of H.R. 4899, and President Obama signed it into law.

FIRE GRANTS

On August 17 we provided the County with FEMA's guidance document for applying for the FY 2010 Staffing for Adequate Fire and Emergency Response (SAFER) Grant program. FEMA will be awarding approximately \$420 million and the application period for the FY 2010 Program will close on Friday, September 17. 100% of the actual salary and benefits for the SAFER-funded firefighters will be fully funded for two years.