



City of Oakland

Office of the City Clerk
Oakland City Hall,
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Legislation Text

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Subject: 2003 Federal Legislative Agenda
From: Office of Intergovernmental Affairs
Recommendation: Approve the Report and provide direction regarding the 2003 Federal Legislative Agenda Update
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July 15, 2003

Oakland City Council
Oakland, CA

President De La Fuente and Members of the City Council

RE: Update on the City's 2003 Federal Legislative Agenda

Summary

Attached is an update of the City's federal legislative agenda from our Washington D.C. Advocate, Platinum Advisors.

Fiscal Impac

None.

Recommendation
Staff recommends acceptance of this informational report.

Respectfully

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ntergovernmental Affairs

Approved for forwarding to the
City Council

R bert C. Bobb, City Manager

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City Council Mtg
July 15, 2003 Item

WASHINGTON UPDATE

Tuesday, July 15, 2003

Prepared for Council by Oakland's Federal Lobbyist

The news from Washington for urban America remains grim. On May 28, President Bush signed a \$350 billion economic stimulus package that, among other things, lowers the tax on dividends and capital gains to 15 percent for most investors. The Administration claimed victory even though it had argued for a \$550 billion cut that would have eliminated the dividend tax entirely. At the eleventh hour, the Republican-controlled Congress eliminated a provision that would have provided \$4 billion in "direct funding for local governments for general government purposes." We had worked closely with the National League of Cities and U.S. Conference of Mayors to retain this provision, but in the end the Republican leadership stripped it from the bill.

On a more positive note, Democrats may be poised for a rare victory on Capitol Hill. The tax cut legislation increased the child tax credit to \$1000 but left unchanged eligibility rules that prevent the roughly 6.5 million families who earn more than \$10,000 but less than \$27,000 per year from receiving any benefits. The reason: These families pay little if any income tax in the first place. House Minority Leader Nancy Pelosi and Senate Minority Leader Tom Daschle embarrassed the Administration by pointing out, among other things, that this group includes many low-income military families. In response, the Senate passed a \$10 billion bill to cut checks for people in this category, and the White House then asked the House to do the same. At this writing, House Majority Leader Tom DeLay (R-TX) is refusing to cooperate. We will advise Council when the issue is resolved.

Meanwhile, the appropriations process for FY 2004 is well behind schedule in both the House and Senate. Earlier this year the House committed to pass all 13 appropriations bills by June 30, but as of today, not a single bill has even passed out of subcommittee. Fearing a repeat of the appropriations gridlock that tied Congress in knots for all of last year, Vice President Dick Cheney met with the chairmen of the House and Senate Appropriations Committees yesterday (June 11) and cut a deal to make an additional \$5.2 billion available for domestic spending during the next fiscal year. Committee markups are scheduled to begin next week with the Military Construction and Homeland Security bills to be considered first. Accordingly, we've intensified our ongoing advocacy efforts on behalf of the \$4.6 million in ITY '04

earmarks we've requested for the Waterfront Parks Initiative to reflect this new timetable and are coordinating our efforts with the staffs of Senator Feinstein and Congresswoman Lee, key California members of the relevant committees as well as the Port's Washington representative.

IWe don't want to leave the impression that (his \$5.2 billion will even begin to alleviate what will be severe federal domestic spending constraints in FY 2004. Just last week the Congressional Budget Office predicted that this year's federal deficit will top \$400 billion for the first time in history. Given anticipated increases in defense spending, we still anticipate that many domestic programs will be cut or even eliminated by the Republican Congress.

Meanwhile, Congress is slowly making progress on other issues identified by Council as important to Oakland. Last month the Bush Administration released its plan to reauthorize the Transportation Act for the 21st Century (TEA-21) proposing to spend \$247 billion over the next six years for highways and transit. Lawmakers in both parties view the proposal as woefully inadequate. Congressman Tom Petri (R-WI), who chairs the Highways, Transit and Pipelines Subcommittee of the House Transportation and Infrastructure Committee, pointed out that the Department of Transportation's own studies indicate that "an investment of \$75 billion per year is needed to bring to improve the condition of the nation's highways, bridges and transit systems." In late May, Congresswoman Ellen Tauscher brought Chairman Petri and Ranking Member Jim Oberstar (D-MN) to the Bay Area to see for themselves the enormous traffic congestion problems our region faces. Congresswoman Tauscher, who serves on the Transportation committee, is thus among the people writing the bill that will determine which transportation projects get federal dollars over the next six years. Since January, we have been working closely with her and other key members of the California delegation to make sure \$4.0 million in critically needed safety improvements to 1-880 are included in the legislation. Both the House and Senate have scheduled hearings on TEA-21 reauthorization in the next few weeks. We will keep Council informed of developments as the process moves forward.

Other issues whose fate is yet to be decided include Head Start which, as Council is aware, the Administration has proposed be moved from the Department of Health and Human Services to the Department of Education. While this outcome is still possible, it's worth noting that Democrats as well as some prominent Republicans have met the idea with skepticism. Congressman Mike Castle (R-DE), who chairs the Education Reform Subcommittee of the House Education and Workforce Committee, has introduced legislation that, among other things, keeps the program at HHS and reauthorizes it through FY 2008. After strong objections from Democrats, especially Congresswoman Lynn Woolsey (D-Petaluma), a provision that would have permitted states to takeover management of Head Start has been dropped from the bill. The new language includes a fig leaf that would permit up to eight states to take control of Head Start as part of a "demonstration project."

Congress is likely to pass another temporary extension of the 1996 Welfare Reform Act later this month to give the Senate more time to consider its reauthorization measure. The House passed its version of the bill in February, but Senate Finance Committee Chairman Charles Grassley (R-IA) has been too busy with tax cut and Medicare prescription drug benefit legislation to deal with TANF reauthorization. If Grassley can get a hill through the Senate - by no means a sure thing - the two chambers would have to resolve contentious differences over how many hours a participant would be required to work to receive benefits and how much

to increase funding for child care. Failing that, Congress will have to once again temporarily extend the existing law into 2004.

Finally, the House Transportation and Infrastructure Subcommittee on Coast Guard and Maritime Transportation held an oversight hearing last week to examine the state of port security in the United States. Several members expressed concern about the fact that, while the Coast Guard estimates it will need \$4.4 billion over the next ten years for this purpose, the Administration has yet to request any funding at all. We are working with our colleagues at the Port of Oakland to convince Congress to appropriate money for this obviously critical effort.

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As always, we will keep Council informed and seek Councilmembers' direction and involvement as the legislative year in Washington moves forward. In the meantime, if you or your staff have questions, comments or need additional information, please can Lucie Gikovich at 202-548-2566.

Reminder: The final deadline for the \$60 million in COPS Homeland Security Overtime Program grants is June 27, and the deadline for priority consideration is tomorrow, June 13. Further information is available at www.cops.usdoq.Rov.

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