



The Florida Legislative Committee on Intergovernmental Relations facilitates the development of intergovernmental policies and practices.

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**Points of Interest
for
Floridians in State and Local
Government:**

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Federal Focus

Small Business Administration Disaster Loans

Passing the U.S. House by 267-158, the *Relief for Entrepreneurs: Coordination of Objectives and Values for Effective Recovery Act of 2007* [Recover Act], H.R. 1361, seeks to overhaul the Small Business Administration's (SBA) disaster loan program. Sponsored by Committee Chairwoman Nydia M. Velazquez, D-NY, the bill provides the SBA Administrator with more discretionary authority to determine the need for additional funds for disaster victims.

A federal source for natural disaster loan assistance to homeowners, renters, and businesses, SBA was scrutinized for problems and delays associated with the 2005 Gulf Coast hurricanes. This bill will address some of the issues that were raised by impacted stakeholders. Specifically,

the measure will provide grants up to \$100,000 to eligible businesses devastated by the 2005 storms—if they are ineligible for conventional disaster loans—increase the limit for disaster loans from \$1.5 million to \$3 million, and direct the SBA to examine the agency's ability to cover snow-related disasters. A provision failed during markup that would have added "lack of snowfall" to SBA's acceptable definition of a disaster—targeting small businesses that are snow dependent.

The legislation also creates Associate Administrator for Disaster Assistance, Director of Disaster Planning, and Director of Disaster Lending positions within the SBA; provides for maintenance of a 1,000-person disaster reserve corps, and directs the agency to develop and implement a

comprehensive disaster plan. Central to accountability enhancements, the agency would also be required to report to Congress on an annual basis and a monthly basis during a disaster, develop an application tracking system, and revise repayment and disbursement timetables to provide more relief for borrowers.

According to the Congressional Budget Office, "the bill will increase discretionary spending by \$347 million during 2008-2012 and contains no intergovernmental or private-sector mandates, as defined in the Unfunded Mandates Reform Act."

Similar legislation, the *Small Business Disaster Response and Loan Improvements Act of 2007*, S. 163, was approved by the Senate Small Business and Entrepreneurship Committee on March 29, 2007.

Developing Issues

- ◇ No movement is currently anticipated on the reauthorization of an assault weapons ban, H.R. 1022, led by U.S. Rep. Carolyn McCarthy, D-N.Y.
- ◇ The U.S. Senate Health, Environment, Labor and Pensions Committee

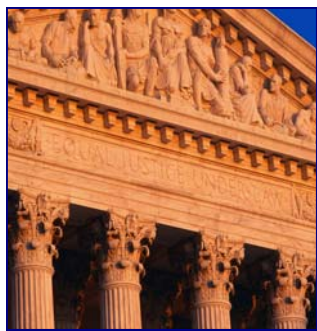
approved the *Prescription Drug User Fee Amendments of 2007*, S. 1082, to renew the law that dictates the fees to be paid by drug companies, and to have their products reviewed by the federal government. The existing law expires in September.

- ◇ Negotiations are underway for reauthorization of the *Higher Education Act*, P.L. 105-244, which expires in June. Of concern to private lenders who offer federally backed student loans is a U.S. Senate proposal seeking \$22.3 billion in cuts to their subsidies.



“Head Start was authorized through 2003 by P.L. 105-285 and has been extended through annual appropriation acts.”

Source: CBO



The Court Security Improvement Act of 2007

HEAD START

The *Improving Head Start Act of 2007*, H.R. 1429, was approved by the U.S. House’s Education and Labor Committee on March 14, 2007 without a provision that previously allowed faith-based providers to consider the religious preferences of prospective employees. A pilot project that would have allowed eight states to direct their local Head Start programs was also defeated by the Committee. However, the panel did approve key

income eligibility requirement changes from below the poverty line (\$20,560) to below 130% of the poverty line (\$26,728) for a family of four. A companion bill in the U.S. Senate, the *Head Start for School Readiness Act*, S. 556, is currently with the Committee on Health, Education, Labor, and Pensions, and also contains this language. The Senate bill will require maintenance of 100% enrollment levels and active waiting lists, as well as aggressive community out-

reach. Monthly enrollment reports to the Secretary would be required.

Although both bills are very similar, according to the Congressional Budget Office more funding is offered through the Senate measure, including two additional grant programs. The Senate bill also provides specific Head Start authorization levels for 2009-2010. In contrast, H.R. 1429 offers such sums as necessary for that same period.

FINANCIAL ISSUES

The *Taxpayer Protection Act of 2007*, H.R. 1677, was passed by the U.S. House Committee on Ways and Means on March 28, 2007 and passed by the full chamber on April 17. The bill was supported by all Florida House Members. Drawing bipartisan support for provisions that were crafted to protect taxpayers

from predatory and fraudulent activity, this bill seeks to increase IRS outreach as a deterrent against identity theft and other illegal acts.

As expressed by House Oversight Subcommittee Chairman John Lewis, D-GA, “this legislation will also help many lower-income Americans benefit from the earned income tax credit” through more aggressive

public awareness campaigns. The bill stems from hearings conducted by the Oversight Committee and must now be considered by the U.S. Senate Committee on Finance. The Committee on Finance is also examining ways to close the \$290 billion annual tax gap. Chairman Max Baucus, D-MT, is advocating a 90% compliance rate by 2017 versus the current 84% rate.

Homeland Security

Passing the *Court Security Improvement Act of 2007*, S. 378, on April 19, 2007, the U.S. Senate voted 97-0 in favor of extending courthouse protections for federal judges. The bill, which seeks to reduce violence against judges and their families, will not only bar hand guns from court houses,

but will expand the law to include other dangerous weapons. Public disclosure of judges’ personal information would also be more restrictive under provisions in this bill.

According to the Congressional Budget Office, an appropriation of \$160 million from 2008 to 2011 is authorized by this bill to “increase

staff for the U.S. Marshals Service and to provide grants to state and local governments to improve court security and protect victims and witnesses.”

A companion bill, H.R. 660, was introduced in the House by U.S. Rep. John Conyers, D-MI. However, the bill is still in three House Committees.

PORT SECURITY—TWIC PROGRAM UPDATE

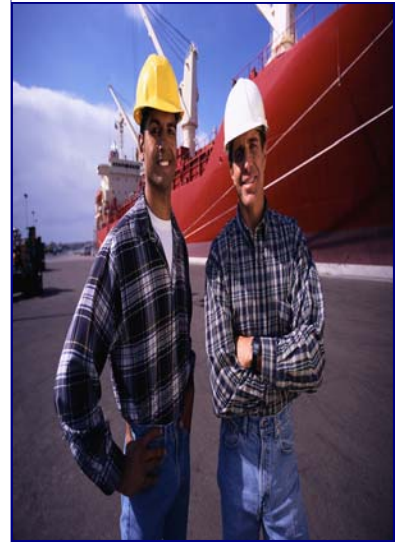
On April 12, 2007, Transportation Security Administration (TSA) Administrator Kip Hawley testified before the U.S. Senate Committee on Commerce, Science, and Transportation concerning the Transportation Worker Identification Credential (TWIC) Program. This highly sophisticated security card is being designed to conform with federal biometric standards and to provide workers with

“unescorted access to secure port areas,” according to TSA.

Enrollment of 750,000 port workers in this national interoperable program is scheduled to be completed by September 30, 2008. However, delays have already been cited by TSA due to technical difficulties. The Port of Wilmington, Delaware—targeted as the first port for enrollments—did not meet an implementation date of March 26,

2007. Because the Safe Port Act imposes a July 1, 2007 implementation deadline for ten initial ports in the TWIC Program, the delays are generating concerns.

Referring to strong team support from Lockheed Martin and the Coast Guard, Mr. Hawley expressed optimism about TSA’s ability to meet the July deadline. However, he also emphasized program integrity expectations.



“Florida entered into an agreement with TSA in 2003 to implement a TWIC prototype, which is virtually interchangeable with the TWIC, with certain exceptions.”

Source: U.S. House Subcommittee on Transportation Security and Infrastructure Protection

MILITARY SURVIVORS’ BENEFITS

Seeking to correct a longstanding problem, U.S. Senator Bill Nelson recently introduced a bill, S. 935, to repeal the mandatory reduction of military survivor annuities under the Survivor Benefit Plan (SBP).

The SBP was established by Congress in 1972 to provide survivors of military retirees with an annuity. The plan is

voluntarily purchased by the retired service member or issued automatically on behalf of members of the armed services who die while on active duty.

Under current law, an offset or reduction is applied to the annuities provided surviving spouses of active duty or retired military members who die from service-connected causes. This offset takes into

account the existing policies of the SBP and the Department of Veterans Affairs’ Dependency and Indemnity Compensation Plan—which have been perceived as unnecessarily punitive to surviving beneficiaries.

Senator Nelson is also seeking to speed up the effective date for “paid-up” status under the SBP through this measure.



TRANSPORTATION

On March 26, 2007, U.S. Reps. Bennie G. Thompson, D-MS, Chairman of the House Committee on Homeland Security, and James L. Oberstar, D-MN, Chairman of the Committee on Transportation and Infrastructure, announced passage of H.R.

1401, the *Rail and Public Transportation Security Act of 2007*. Helping to address security gaps facing rail and public transit, this measure focuses on training, grants, security planning, research and development, worker whistleblower protections, and hazardous materials transportation. According

to Chairman Oberstar, “last year the Federal Government invested \$4.7 billion in aviation security improvements, while spending only \$136 million on transit and rail security, even though five times as many people take trains as planes every day.”



The Rail and Public Transportation Security Act of 2007

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Other helpful sites:

◇ [http://www.census.gov/prod/
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*Information and
Communication
Technology: 2005
Released April 2007*

◇ [http://www.fedspending.or
g/tutorials.php](http://www.fedspending.org/tutorials.php)

*Explains How to
Access Data On
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FY 2007 EMERGENCY SPENDING BILL

Congressional leaders forged a conference agreement on a \$124.2 billion war supplemental spending bill that embraces the U.S. Senate's preference for establishing "goals" for withdrawal from Iraq rather than the date specific requirements offered by the U.S. House.

Specifically, under the terms advanced in a conference negotiation and passed by the Senate and House, H.R. 1591, U.S. troops would begin to withdraw no later than October 1, 2007, with a subsequent completion goal of 180 days—provided the President is able to certify that benchmarks have been met by the Iraqi government. Without such certification, withdrawal would commence July 1, 2007 with a subsequent completion goal of 180 days. As indicated in both the Senate and House versions

of the supplemental bill, the Conference Report also makes provision for U.S. troops who will remain in Iraq to protect American personnel, conduct ongoing training activities, and to pursue counterterrorism activities.

Among the spending provisions in the Conference Report are:

- ◇ \$95.5 billion for military spending;
- ◇ \$6.9 billion for Gulf Coast hurricane recovery;
- ◇ \$3.5 billion for agriculture and drought relief;
- ◇ \$2.25 billion for Homeland Security—including ports, mass transit, and explosive detection at airports;
- ◇ \$1.8 billion for veterans' health programs;
- ◇ \$650 million for SCHIP;
- ◇ \$400 million for low-income energy assistance;

- ◇ \$4.84 billion spanning 10 years for small business tax breaks; and
- ◇ a federal minimum wage increase, over two years, to \$7.25 an hour.

Prompting strong opposition from Chairman James Oberstar, D-MN, of the U.S. House Transportation and Infrastructure Committee, U.S. House and Senate appropriators also decided to "rescind \$389 million of highway contract authority that has been apportioned to the states" to pay for roads damaged by natural disasters. The funds would be directed to the Federal Highway Administration's Emergency Relief Program. The Conference Report also waives requirements of Section 902 of the *Water Resources Development Act of 1986* for some FY 2008 Army Corps of Engineers' projects.

Florida Legislative Committee on Intergovernmental Relations

Created in 1977 as the Advisory Council on Intergovernmental Relations and renamed the Florida Legislative Committee on Intergovernmental Relations (LCIR) in 1996, the Committee is statutorily authorized to do the following:

- 1) Serve as a forum for the discussion and study of intergovernmental problems.
- 2) Evaluate the interrelationships among local, regional, state, interstate, and federal agencies in the provision of public services and prepare studies and recommendations to improve organizational structure, operational efficiency, allocation of functional responsibility, and the delivery of service.
- 3) Analyze the structure, functions, revenue requirements and fiscal policies of the state and its political subdivisions.
- 4) Examine proposed and existing federal and state programs.
- 5) Review the research and recommendations of national commissions studying local government relationships and problems.
- 6) Analyze the fiscal impact of new state programs or amendments to existing programs on municipalities and counties.

Section 11.70, F.S.(2006).