



**Legislative Bulletin.....June 14, 2005**

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**Amendments to the Science, State, Justice, and Commerce Appropriations Act for FY 2006 (H.R. 2862) (Part II)**

- 1) **Obey Amendment** (15 minutes)
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**Obey (D-WI):** Reduces by \$200 million, funds available for NASA exploration, and increases, by \$100 million each, funds available for the Edward Byrne Memorial Justice Assistance Grant program and Community Oriented Policing Services.

**Terry (R-NE):** According to the sponsor, “the Byrne-JAG Restoration Amendment makes an across-the-board cut of 0.448% -- less than half of one percent -- to federal agencies under H.R. 2862 in order to protect and preserve state and local anti-drug task forces by restoring the Edward Byrne Memorial Justice Assistance Grant (Byrne-JAG) program to its FY05 level of \$634 million.” The Administration proposed to terminate this program.

**Velasquez (D-NY):** Increases by \$79.132 million the funds made available for the Small Business Administration (SBA) 7(a) Loan Guarantee Program; decreases by \$39.126 million the funds made available for the Department of Justice’s narrowband communications conversion program; decreases by \$13.441 million the funds made available for the SBA’s salaries and expenses (including temporary transportation expenses); decreases by \$59.142 million the funds made available for the Department of State’s Capital Investment Fund.

Page 3, line 8, after the dollar amount, insert the following: “(reduced by \$39,126,000)”

Page 62, line 22, after the dollar amount, insert the following: “(reduced by \$59,142,000)”

Page 84, line 18, after the dollar amount, insert the following: “(reduced by \$13,441,000)”

Page 86, line 11, after the dollar amount, insert the following: “(increased by \$79,132,000)”

According to the amendment sponsor, without this additional funding for the 7(a) program, “businesses will be forced to pay higher fees to use the program. These higher costs – coupled with rising interest rates – have made it more difficult for entrepreneurs to access the capital they need. As a result, businesses are often unable to afford new equipment, add a new employee, or grow their business.”

The underlying bill (H.R. 2862) provides a \$16.5 billion in 7(a) program level in FY06, the largest appropriation to date, matching the President’s request. The program is currently funded by fees charged to lenders and borrowers, a change that Congress implemented last

year. According to small Business Committee Chairman Manzullo, this change produced “predictability and stability” in the program because it is no longer subject “to uncertainties of the appropriations process.” Chairman Manzullo noted that SBA 7(a) program loans have actually increased since this change was implemented “due to the programs new stability.” He also stated, “the main association that represents 7(a) lenders - the National Association of Government Guaranteed Lenders (NAGGL) - now supports a zero subsidy rate (no annual federal appropriations).”

**Rep. Reichert (R-WA) #12:** Increases by \$78 million the funds made available for the COPS program (from \$520 million to \$598 million); decreases by \$50 million the funds made available for FBI salaries and expenses (including motor vehicles); decreases by \$11.683 million the funds made available for DEA salaries and expenses (including drug education, travel, and motor vehicles); decreases by \$16.606 million the funds made available for the Broadcasting Board of Governors.

According to the sponsor, the amendment’s increase to the COPS program would return it to FY05 enacted levels.

**Baird (R-WA):** Increases funding for the Community Oriented Policing Services by \$10 million and increases funding for the Drug Enforcement Administration by \$10 million. Amendment reduces funding for the 2010 decennial census by \$10 million. Amendment also seeks to reduce funding for the salaries and expenses of the Bureau of the Census by \$10 million.

Page 12, line 3, after the dollar amount, insert “(increased by \$10,000,000)”

Page 26, line 25, after the dollar amount, insert “(increased by \$10,000,000)”

Page 39, line 22, after the dollar amount, insert “(reduced by \$10,000,000)”

Page 39, line 25, after the dollar amount, insert “(reduced by \$10,000,000)”

Page 40, line 1, after the dollar amount, insert “(reduced by \$10,000,000)”

**Stearns (R-FL) #16:** Increases by \$10 million the funds made available for Office of Justice Programs (Crime Control, Missing Children’s Assistance, Victims of Crime Act, etc.); and reduces by \$10 million the funds made available for Legal Services Corporation (LSC).

In the underlying bill, the LSC is funded at \$331 million, \$13 million above the President’s request. This \$10 million reduction in LSC funding would bring it more in line with the President’s request.

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