



WASHINGTON REPORT

**TO:** NCDA MEMBERS

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**DATE:** June 11, 1999

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#### **HOUSE DEVELOPS STRATEGY TO MOVE APPROPRIATIONS BILLS**

Speaker of the House J. Dennis Hastert (R-IL) made a plea to his Republican members in the House to start moving the FY 2000 appropriations bills. In line with moving all 13 of the bills, Rep. Hastert also recommended, and the Republicans agreed, to shift some funds from the first spending bills to reach the floor and add funding to some of the more difficult bills that will reach the floor later this summer, such as the Labor-HHS-Education bill and the VA-HUD-Independent Agencies bill. Hastert and the Republican leadership hope to find at least \$7 billion by trimming

funds for agriculture, transportation, defense, and other programs in FY 2000. This new strategy possibly envisions tapping funds from unspent federal programs, such as unspent FY 1999 defense funds. Congressional representatives on both sides are skeptical this new strategy will allow passage of all 13 appropriations bills at spending levels that comply with the budget caps. All agree that the Labor-HHS-Education bill and the VA-HUD-IA bill will be the two most difficult bills to move this year because they have the most drastic cuts and least support from House Republicans. NCDA is encouraging its members to contact their congressional representatives to ensure that CDBG and HOME are fully funded in FY 2000. The Senate has developed a similar strategy, however, they too realize that the appropriations bills will not move this year without additional funding added back to those bills that have been drastically cut. We'll keep you informed as HUD's FY 2000 appropriations bills makes it way through Congress this summer.

### **SENATE TO DEBATE SOCIAL SECURITY LOCK BOX STRATEGY NEXT WEEK**

The Senate will wait until next week to debate Social Security "lock box" legislation and then take up a House-passed bill considered weaker than the approach Senate leaders initially had in mind. Because of the threat of a Democratic filibuster, Senate Majority Trent Lott pulled the planned third attempt to pass S 485 Social Security lock box. Instead, the Senate will address S 96, a bill that seeks to limit liability for Year 2000 (Y2K) computer failures, which will delay taking up S 485 until next week.

Both the Senate and House lock box measures are intended to make it more difficult to divert Social Security surplus revenue to other programs. Republicans hope the House measure will stand a better chance of overcoming Democratic opposition. The House version, which passed by a margin of 416-12 would prevent Congress from using surplus Social Security or Medicare funds to pay for other government operations unless both chambers override a procedural hurdle to such spending. The House version would also remove Social Security payroll tax receipts from the federal budget surplus and deficit calculations. It would also allow retirement surpluses to be spent only for legislation identified as Social Security or Medicare "reform." The Senate version takes broader steps by creating new limits on the publicly held national debt that would be decreased by the amount of each year's Social Security surplus. Democrats and the White House are opposed to this provision and warn that it could provoke a debt crisis.

Minority Leader Tom Daschle (D-SD) indicated that Democrats would allow the House version to be taken up on the floor if they were permitted to offer amendments to add provisions intended to bolster Medicare.

### **APPROPRIATIONS: FULL SPEED AHEAD**

Bolstered by the passage of the FY 2000 defense spending bill in each chamber last week, the House and Senate GOP leadership have cause for optimism and a positive outlook for action on the rest of the spending bills this summer. Senate Appropriations Chairman Ted Stevens, R-AL, laid out an ambitious schedule for the next few weeks, indicating that the Senate could pass seven

more spending bills before the July 4 recess. This would pick up on the strategy in the House to hold the “passable” bills to the spending caps that would generate additional revenue for those big bills, HUD-VA and Labor-HHS that will be more difficult to get passed because of the spending caps. It is anticipated that these two bills will only get passed if the spending caps are lifted. To do that and abide by the “lock box” on the social security surplus, other money will have to be found.

The Energy and Water Development and Transportation bills will be on the floor next week, with Legislative Branch, Military Construction, and Commerce-Justice to follow before Independence Day. The Agriculture and Foreign Operations bills could also see floor action within that time-frame, although it would be highly unlikely, Stevens said.

### **PRESS KITS AVAILABLE FOR CONGRESSIONAL VISITS**

As members and their non-profits make plans to visit their District Congressional Offices, to encourage support for increased funds for CDBG and HOME, please consider providing staff with a 25<sup>th</sup> anniversary press kit. These press kits are just one of the several items NCDA produced to assist members in celebrating 25 years of the CDBG program. They have already been mailed to every member of the Appropriations and Budget Committees in both chambers. The information contained in the kit is invaluable and provides an overview of the program, updated information on the HOME program and how the program is used through a brochure on NCDA’s Audrey Nelson Award winners. If you are planning Congressional visits and we encourage you to do so, please consider providing a press kit. Contact NCDA staff and we will gladly get them to you as quickly as possible.

### **LAZIO INTRODUCES HR 1776: A BILL THAT REAUTHORIZES CDBG AND HOME**

It appears that one of the many rites of spring in Washington besides the appropriations debates is Representative Rick Lazio’s attempt to pass legislation that reauthorizes CDBG and HOME at current funding levels, and that tweaks related legislation and regulation regarding these two programs. This year, one of those “tweaks” seeks to legislate the consolidated plan. Currently the consolidated plan is a regulation that takes its primary statutory guidance from the CHAS statute and the CDBG statute. The Senate has said it will not be offering any companion legislation. We will keep members informed on the progress of HR 1776 as often, language from bills that don’t make into law gets inserted in other pieces of legislation.

### **HUD NEWS**

#### **ARE YOU Y2K READY?**

January 1, 2000 is only months away and many jurisdictions are not fully prepared for Y2K. We are happy to report that HUD is Y2K ready, so grantees will be able to continue their operations

with HUD. As outlined at the NCDA Annual Conference, HUD officials report that the construction of temporary data bridges will allow non-compliant data received from a grantee to be accepted, converted and processed without disruption. HUD will continue to use these data bridges until grantees complete their own conversion processes of their systems. You can access further information on HUD's Y2K efforts at [www.hud.gov/cio/year2000/index.html](http://www.hud.gov/cio/year2000/index.html).

### **IDIS/DGMS INFORMATION**

One of the many highlights of the NCDA's 1999 Annual Conference was the session on IDIS and DGMS. For those who aren't familiar with the above acronyms, IDIS is the Integrated Disbursement and Information System and DGMS is the Department-wide Grants Management System. These two systems will eventually become one. IDIS is the system created to account for, and track CPD's four formula programs covered by the consolidated plan. According to HUD staff, the new DGMS will take into consideration the concerns of grantees in their efforts to "fix" problems associated with IDIS. HUD has a target date of July 1, 2000 to begin the change-over from IDIS to DGMS, which will incorporate the grants tracking mechanisms of IDIS.

We were told that the change from IDIS to DGMS will be much less onerous than what was required to go "live" on IDIS. HUD promises that training on the new system and going "live" will encompass a much shorter time-frame than was the case for IDIS. Also, there will be an EDI-like component that will allow grantees to maintain current (city) tracking and accounting systems and allow them to "upload" data that HUD needs for its purposes without double data entry that many grantees are currently doing.

Another question that came up during this session was the issue of accrual accounting. Presently IDIS does not allow for accrual accounting, however, it will be available by September 30, 1999 and will become part of DGMS. For the past 18 months NCDA staff and many of its members have worked with HUD on improving IDIS and now are providing input on the design of DGMS. It appears that HUD is listening to us. Keep up the great work!!

### **CPD OFFERS GUIDANCE ON THE PREPARATION OF THE CONSOLIDATED PLAN**

NCDA's members and the rest of the country have requested that HUD provide some guidance on preparation of the upcoming five year consolidated plan. The concern relates to the upcoming 2000 Census, the previous 1990 Census and how grantees are to prepare relevant plans that will address current needs based on requirements that only census data can be used to determine low-income eligibility. Faced with outdated information and a volatile decade of population changes across the nation, communities are faced with a dilemma—how to prepare a useful document to address real needs based on outdated information? Furthermore, why should plans be prepared for five years when the 2000 census may show entirely different demographic information and projects may be funded in areas that may have been eligible in 1990 but are not in 2000?

CPD staff provided guidance documents that incorporated the new consultation language with the PHA plans and the consolidated plans. Grantees have always had the option of undertaking three-to five-year plans, however, most have chosen to complete five-year plans because of the costs and labor intensiveness of the process. This time around, it may make more sense to do a four-year plan because the data is old and wait for the 2000 Census data to come out in 2003 and then conduct a five year-plan. Other options include conducting an interim plan, however the guidance on this has not been released yet. Interim plan guidance must come from field offices. For copies of the documents that were made available during the consolidated plan session, please contact Carla Sauls at NCDA or your HUD field office.

### **BEST PRACTICES SYMPOSIUM, JULY 20-24 IN KANSAS CITY, MISSOURI**

HUD will be sponsoring its 3<sup>rd</sup> annual Best Practices Symposium on July 20-24, 1999 in Kansas City, Missouri. This year the symposium will feature all of HUD program areas for best practice awards. Accommodations and information are available on the web at <http://www.hud.gov/bestpractices.html> or by calling 1-877-747-3861.

### **NCDA NOTES**

#### **PUBLICATIONS ON THE INTERNET: UPDATE**

As reported in the May 14, 1999 issue of the *Washington Report*, the NCDA Board of Directors voted at the 1999 Winter Meeting on January 28, 1999, to increase membership dues for those members that wish to continue receiving the *Washington Report* (and attachments) via regular U.S. mail. Staff was charged with determining the increase based on postage, letterhead, paper and copier costs. Dues will increase by \$250 per year **as of July 1, 1999**. For those members who are not familiar with the NCDA web site, the address is [www.ncdaonline.org](http://www.ncdaonline.org). For accessing the *Washington Report* via the web site, you must (if you have not already done so) establish a permanent user ID and password. If you have not done so, and wish to avoid the \$250 increase, please contact Carla Sauls or any other NCDA staff person, at 202-293-7587 and they will assist you.

Please note, for members who wish to receive the *Washington Report* via the web site, any staff member can have access to [NCDAonline.org](http://NCDAonline.org) and the information provided there. NCDA does not limit the number of persons each member community allows on the web site. Also information is received in a more timely manner. However, we caution members that this information is being paid for through your membership dues and access to the web site is privileged. Please inform NCDA staff of your intent to receive the *Washington Report* via the website as soon as possible! If we do not hear from you we will assume you will be receiving the *Washington Report* by regular mail.

Publishing the newsletter on the internet will save countless hours of staff time and make it easier

for staff to do a better job of tracking legislation, meeting with Congressional staff, consulting with vendors, technical assistance providers and planning productive meetings. On June 11, 1999 dues notices will go out informing the membership of the higher dues for those who still wish to get the *Washington Report* and other publications via regular mail. Obviously there will continue to be some publications that require regular mail, however, these will be few and far between.

### **NCDA CELEBRATES THE 25<sup>TH</sup> ANNIVERSARY OF THE CDBG PROGRAM**

NCDA recently wrapped-up its 1999 Annual Conference in Washington, D.C. which culminated in a gala celebration of the 25<sup>th</sup> anniversary of the CDBG program. During the gala, NCDA acknowledged the cities of Fall River, MA; Perth Amboy, NJ; Pittsburgh, PA; Jacksonville, FL; Rockford, IL; Beaumont, TX; Davenport, IA; Denver, CO; Tucson, AZ; Seattle, WA; and Larry Wagner of L. Wagner and Associates for their outstanding involvement and promotion of the Community Development Block Grant Program. NCDA and its members were joined by the National League of Cities, U.S. Conference of Mayors, National Association for County Community Economic Development, Council of State Community Development Agencies, the Association of Local Housing Finance Agencies and HUD in celebrating the many strengths of the program. A great time was had by all in celebrating such an outstanding program! We urge you to continue your support of both CDBG and HOME throughout the coming year.

### **CDBG 25<sup>th</sup> ANNIVERSARY/NATIONAL CD WEEK PRODUCTS INFORMATION**

CDBG 25<sup>th</sup> Anniversary products are still available to assist communities with their celebrations. Please note that **25<sup>TH</sup> ANNIVERSARY LOGO STICKERS ARE STILL AVAILABLE** for purchase at \$100 per roll of 1,000 stickers. NCDA has depleted its supply of CDBG postcards and posters. T-shirts, hats, mugs, sweat-shirts, tote-bags and puzzles are still available. It will take approximately 14 days to receive products.

### ***FEDERAL REGISTER NOTICES***

***June 9, 1999. Fees for Accreditation of Training Programs and Certification of Lead-Based Paint Activities Contractors.*** EPA is issuing this final rule to establish fees for the accreditation of training programs and certification of contractors engaged in lead-based paint activities pursuant to the Toxic Substances Control Act. As required by the U.S. Treasury, EPA must establish and implement a fee schedule to recover the Agency's cost of administering and enforcing the standards and requirements applicable to lead-based paint training programs and contractors engaged in lead-based paint activities. This rule establishes the fees to be charged in those States and for Indian lands without authorized programs for training and for individual firms engaged in lead-based paint activities seeking certification.

**JOB OPPORTUNITIES/ATTACHMENTS**

**Job Announcements (<http://www.ncdaonline.org/members/jobs/joblist.asp>)**

**Highlights from Deputy Secretary Saul Ramirez's Address at the Ninth Annual Urban County Conference ([http://www.ncdaonline.org/members/rep99/6\\_11\\_99/ramirez.htm](http://www.ncdaonline.org/members/rep99/6_11_99/ramirez.htm))**

**Entrepreneurial Community Development Conference Brochure (<http://www.nw.org>)**