



Legislative Bulletin.....April 3, 2001

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H.R. 642 – To reauthorize the Chesapeake Bay Office of the National Oceanic Atmospheric Administration (Gilchrest (MD))

Order of Business: The bill will be considered under suspension of the rules.

Summary: The bill reauthorizes the Chesapeake Bay Office of the National Oceanic Atmospheric Administration (NOAA), first authorized in 1992. While no committee report has been filed, this reauthorization differs from current law in the following ways:

In addition to coordinating programs under current law by NOAA and the Chesapeake Bay Regional Sea Grant Programs, this office will now also coordinate with the Chesapeake Bay units of the National Estuarine Research Reserve System in new areas including habitat restoration and atmospheric deposition. In addition, the office will coordinate programs and activities of the Cooperative Oxford Lab of the National Ocean Service with respect to non-indigenous species, marine species pathology, human pathogens in marine environment and ecosystem health.

The bill also establishes a new Chesapeake Bay fishery and habitat restoration small watershed grants program for community-based fishery and habitat restoration, and caps the federal share at 75% of each project. The only entities eligible to receive funding under this grant program are state and local governments and tax exempt 501(c) organizations.

Cost to Taxpayers: There is no CBO estimate available, but the bill authorizes \$6 million for each fiscal year from 2002-2006 (\$30 million). In FY92 and FY93 this office was

authorized no more than \$2.5 million per year, and a specific clause stated, “No more than 20 percent of the amount appropriated under the authorization in this subsection shall be used for administrative purposes.” No similar administrative cap is found in this reauthorization. The bill also authorizes a new 5-year study on the Chesapeake Bay to study the “living resources” of the bay and develop a management strategy, though there is not a specific authorization for the study’s funding. The bill also reauthorizes a biennial report to Congress and the Commerce Secretary, and the RSC estimates that the cost of biennial Congressional reports is \$100,000 per report.

Constitutional Authority: No committee report citing constitutional authority is available

Does the Bill Create New Federal Programs or Rules: YES, the bill reauthorizes a 9-year old program and creates new areas of study and new programs. The bill authorizes a new 5-year study, and also continues the biennial reporting requirement of the program.

RSC Staff Contact: Sheila Moloney x6-9719

H.R. 768 —To amend the Improving America's Schools Act of 1994 to make permanent the favorable treatment of need-based educational aid under the antitrust laws. -- (Lamar Smith (TX))

Order of Business: The bill will be considered under suspension of the rules.

Summary: As a result of a Justice Department antitrust lawsuit in 1989 against mostly Ivy League (Brown, Columbia, Cornell, Dartmouth, Harvard, Princeton, Penn, Yale, and MIT) schools for collaborating in offering financial aid, Congress wrote a temporary 2-year exemption from antitrust laws into a 1992 law. The 1994 reauthorization of the Elementary and Secondary Education Act (ESEA) Section 568 extended the exemption until September 30, 1997 and allowed for the use of a common aid application form and the exchange of student financial information through a third party (a compromise similar to a 1993 settlement with Justice). On June 23, 1997, the House passed by voice vote H.R. 1866 which would have repealed the expiration date. Senators DeWine and Kohl amended the House bill to merely extend the expiration date from Sept. 30, 1997 to Sept. 30, 2001. This temporary extension became Public Law No. 105-43. H .R. 768 again attempts to permanently repeal the expiration date which currently is set for Sept 30, 2001.

Cost to Taxpayers: No committee report is available at this time, but in a committee report from the 105th Congress (House Rpt. 105-144) CBO estimated that enacting this legislation would have no significant impact on the federal budget

Constitutional Authority: No committee report is available for H.R. 768, but in the 105th Congress, the Committee found authority under Article I, Section 8 of the Constitution (Powers of Congress), but failed to reference a specific constitutional authority.

Does the Bill Create New Federal Programs or Rules: The bill would permanently exempt private universities and colleges from certain antitrust laws when dealing with student financial aid.

Possible Concerns: The bill has the practical effect of ensuring that Ivy League schools do not have to compete for top students by outbidding other Ivy's in the awarding of financial aid. Some Members may see this as Congress preventing a free market approach toward recruiting and rewarding top performing students. In the 105th Congress the Judiciary Committee reported that without this permanent exemption, "Those very top students would get all of the aid available which would be more than they need. The rest would get less or none at all. Ultimately, such a system would serve to undermine the principles of need-based aid and need-blind admissions." Current Ivy League tuition averages over \$100,000 for a four-year undergraduate program, and there is no federal control over rising tuition rates.

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**H.Con.Res. 59— Expressing the sense of Congress regarding the
establishment of National Shaken Baby Syndrome Awareness Week.
(McKeon)**

Order of Business: The resolution is scheduled to be considered under a motion to suspend the rules on Tuesday, April 3rd.

Summary: The resolution calls for the creation of a National Shaken Baby Syndrome Awareness Week (which would be the last week of April) to increase awareness about this specific cause of death for infants. The President of the United States would be asked to issue a proclamation calling upon the people of the United States to observe National Shaken Baby Syndrome Awareness Week with "appropriate programs and activities."

Additional Background: The timing of this Week is designed to come at the end of the National Child Abuse Prevention Month (April), which was established during the Carter Administration. The resolution estimates that 3000 babies each year in the United States are diagnosed with Shaken Baby Syndrome and that thousands more go undiagnosed.

Cost to Taxpayers: No expenditures are authorized.

Does the Bill Create New Federal Programs or Rules?: No.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

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H.Res. 91—Expressing the sense of the House of Representatives regarding the human rights situation in Cuba. (Smith, Christopher)

Order of Business: The resolution is scheduled to be considered under a motion to suspend the rules on Tuesday, April 3rd.

Summary: The resolution condemns the Cuban Government’s “repressive and totalitarian” treatment of the Cuban people and calls on the President of the United States to directly assist the Cuban people and supportive organizations (as President Reagan did with Poland’s “Solidarity” movement in the 1980s) and to push for a condemnation of the Cuban Government’s human rights abuses at the meeting of the United Nations Human Rights Commission in Geneva in 2001. The resolution also calls on the President to help secure a “Special Rapporteur” for Cuba at this Commission meeting.

Cost to Taxpayers: No expenditures are authorized.

Does the Bill Create New Federal Programs or Rules?: No.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

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H.Res. 56—Urging the appropriate representative of the United States to the United Nations Commission on Human Rights to introduce at the annual meeting of the Commission a resolution calling upon the People's Republic of China to end its human rights violations in China and Tibet, and for other purposes. (Lantos)

Order of Business: The resolution is scheduled to be considered under a motion to suspend the rules on Tuesday, April 3rd.

Summary: The resolution calls upon the U.S. Government to organize support for the creation and passage of a resolution at the meeting of the United Nations Human Rights Commission in Geneva in 2001, calling upon the Chinese Government to end its human rights abuses in China and Tibet.

Cost to Taxpayers: No expenditures are authorized.

Does the Bill Create New Federal Programs or Rules?: No.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

Staff Contact: Paul Teller, x6-9718, paul.teller@mail.house.gov

H.R. 974 - Small Business Interest Checking Act of 2001 (Kelly)

Order of Business: The bill is scheduled to be considered under a motion to suspend the rules on Tuesday, April 3rd.

Summary: The bill includes the following major provisions:

- 1) Repeals the current prohibition on the payment of interest on demand deposits. The repeal is effective 2 years after the date of enactment.
- 2) Authorizes banks to offer customers the ability to make 24 transfers per month from an interest-bearing money market deposit account into any other account maintained by that customer at that institution.
- 3) Permits the Federal Reserve to pay interest on the reserves that depository institutions are required to maintain at Federal Reserve Banks.
- 4) Eliminates the statutory ratios for reserve requirements, allowing the Federal Reserve greater flexibility in setting reserve requirements.
- 5) Offsets the cost of the bill for the first five years by transferring to the Treasury an amount equal to the cost of the bill out of Federal Reserve surpluses.
- 6) Requires the Federal Reserve Board to conduct an annual survey of banking services and products including: checking accounts, negotiable withdrawal and savings accounts, ATM transactions, other electronic transactions, and credit cards. The Federal Reserve Board would then be required to use such data to make an annual report to Congress regarding discernable trends.

Other Information: The Federal Reserve and CBO anticipate that the payment of interest on reserves held at the Federal Reserve will stem the decline of reserve balances. Reserves were approximately \$28 billion in 1993 and \$6 billion in 2000. The Federal Reserve uses these balances as one of its tools for conducting monetary policy.

Cost to Taxpayers: The Congressional Budget Office has previously estimated that paying interest on reserves held at Federal Reserve banks would reduce the profits of the Federal Reserve by on average \$100 million a year. Since, the Federal Reserve remits its profits to the U.S. Treasury, any reduction in Federal Reserve profits would translate into a reduction in federal revenue. The bill, however, requires the Federal Reserve to offset any reduction in revenue to the federal government through the transfer of Federal Reserve surpluses to the Treasury for the next five years. CBO has estimated that at the end of five years, the Federal Reserve will seek to replenish its reserves and continue to operate at a lower profit. **Over ten years, the bill will reduce federal revenues by \$1.1 billion. However, the payment of interest on reserves will result in higher profits for depository institutions, which in turn may result in higher interest rates paid to bank customers on their deposits or the lowering of interest rates for loans.**

Does the Bill Create New Federal Programs or Rules?: No, the bill repeals current restrictions related to the payment of interest for demand accounts held by banks and reserves held by the Federal Reserve.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

Staff Contact: Neil Bradley, x6-9717

**H.Con.Res. 66—Authorizing the printing of a revised and updated version
of the House document entitled “Women in Congress, 1917-1990.”
(Kaptur)**

Order of Business: The resolution is scheduled to be considered under a motion to suspend the rules on Tuesday, April 3rd.

Summary: The resolution would authorize the updating and re-printing of House Document 101-238, entitled, “Women in Congress 1917-1990.” There would be an extra 30,700 copies printed—25,000 for the use of the Committee on House Administration and 5,700 for the use of the Committee on Rules and Administration of the Senate.

Additional Background: A “normal” printing of a House document is 1,800 copies. But this type of printing, i.e. a printing of a document that Members will want to distribute to constituents, is usually much higher. This document was last updated during the 101st Congress.

Cost to Taxpayers: According to the Committee on House Administration, the cost would be less than \$100,000.

Does the Bill Create New Federal Programs or Rules?: The resolution would authorize the Library of Congress to update and the Government Printing Office to print the updated version of this document.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

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