Boehner Election as Majority Leader Moves
McKeon In Line to Chair Education & Workforce

On Thursday, February 2, 2006, the Republican Caucus of the House of Representatives elected Ohio Rep. John Boehner to the post of Majority Leader, replacing Tom Delay (TX), who resigned late last year. On the second ballot, Boehner defeated majority whip and acting majority leader Roy Blunt (MO) by a vote of 122-109. In the first-round balloting, Blunt’s 110 votes had led Boehner’s 79 votes and Rep. John Shadegg (AZ), who polled 40 votes, but Boehner pulled ahead in the final tally.

Once he assumes the post, Boehner will relinquish his chairmanship of the Education and the Workforce Committee, and Rep. Buck McKeon appears strongly poised to take the reins of the full committee. McKeon serves as chair of the E&W Subcommittee on 21st Century Competitiveness, and in that role has shepherded higher education legislation. McKeon’s chief potential opponent for the full committee chairmanship, Rep. Tom Petri (WI) has reportedly indicated his support for McKeon’s bid, and he is widely expected to pursue the chairmanship of the House Transportation & Infrastructure Committee next year, after current Chairman Don Young (AK) reaches his term-limited maximum of six years in the post.

Some may argue that Californians already hold five full committee chairmanships, including several of the most influential (Jerry Lewis at Appropriations, Bill Thomas at Ways & Means, David Dreier at Rules, Duncan Hunter at Armed Services, and Richard Pombo at Resources), and that adding a sixth would be excessive. However, Californians held six chairs until late last year, when Christopher Cox relinquished his House seat and his Homeland Security Committee chairmanship to accept President Bush’s appointment as Chairman of the Securities and Exchange Commission. In addition, Chairman Bill Thomas is in his sixth year at the helm of the Ways & Means Committee, meaning that California chairmanships may be reduced by one next year.

On A Second Try, House Approves 2006 Budget Reconciliation

On Wednesday, February 1, 2006, the budget reconciliation measure, otherwise known as the Deficit Reduction Act of 2005, by the narrow margin of 216-214 vote.

A brief California-centric review of the budget reconciliation measure is posted on the California Institute website, at

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[http://www.calinst.org/pubs/FY06Budget-Reconciliation-Jan06.htm](http://www.calinst.org/pubs/FY06Budget-Reconciliation-Jan06.htm) or in printer-friendly pdf format at [http://www.calinst.org/pubs/FY06Budget-Reconciliation-Jan06.pdf](http://www.calinst.org/pubs/FY06Budget-Reconciliation-Jan06.pdf). An in-depth analysis of the measure, including estimates of California fiscal impacts, has been prepared by the Legislative Analyst’s Office (LAO) in Sacramento and is posted at [http://www.lao.ca.gov](http://www.lao.ca.gov).

**MEDICARE PART D PRESCRIPTION DRUG PROGRAM COMPLICATIONS ADDRESSED BY SENATE PANEL**

A panel of Senators on February 2nd received testimony from Medicare chief administrator Michael McClellan on the difficulties and successes of the transition to the new Medicare prescription drug program. Starting on January 1, 2006, glitches in the transition to the new federal system contained in the 2003-approved Medicare law had left tens of thousands of disabled or low income elderly without prescription drug coverage. In order to guarantee prescription drugs to seniors who had been denied their medications, Gov. Schwarzenegger and the California Legislature took action to provide emergency coverage while federal agencies, drug companies, and pharmacists worked out ways to resolve the errors, which have arisen throughout the country. Emergency stop-gap costs are projected to grow to $183 million for California alone this fiscal year.

Critics charge that the switch to the new drug benefit system hit a certain population of seniors, known as dual-eligibles, the hardest. These are some 6 million Medicare elderly people who also qualified for Medicaid, a joint federal-state insurance program that benefits low income or disabled persons. Advocates consider dual-eligibles are the most vulnerable Medicare recipients, and as a result of the errors one in six of California’s 1 million dual-eligibles reported coverage denial, or unjustified copayment increases because of computer database errors from the transition. In many cases, information on eligible recipients formerly administered by the federal government and recently transferred to private insurance companies did not correspond.

Senate Special Committee on Aging Chair Gordon Smith (OR) in his opening remarks applauded the Center for Medicaid and Medicare Services (CMS) but expressed deep concern over the implementation of the drug benefit program, “We knew there would be challenges associated with their transition...but it seems that we did not prepare enough to ensure a seamless transition,” said Chairman Smith. He also suggested that the magnitude and scale of the program made the implementation challenges unsurprising and that he was committed to working to reimburse states for the emergency coverage they had provided.

Committee Ranking Democrat Herb Kohl (WI) called for a bipartisan solution to the problem although he was in favor of taking additional action to provide further relief to seniors. Sen. Kohl spoke in favor of a shift in policy from current law to one that gave Medicare greater authority to negotiate lower drug prices with pharmaceutical companies.

The top CMS administrator focused his comments on the benefits and successes of the new program before discussing the steps his agency had taken to tackle the prescription drug complications. Dr. McClellan noted that the program was off to a strong start with 24 million seniors now enrolled in the new program, 2.6 million of which were not receiving benefits under the prior law. The new program has strengthened drug benefits for retirees, provided more comprehensive benefits, instituted savings, and added new enrollees for the vast majority of those enrolled, according to Dr. McClellan. When Dr. McClellan moved to the topic of the
prescription drug glitches, he said his agency was working round the clock to respond and he took responsibility for the problems, “they are ours to solve” he said. He noted that drug companies are obligated to abide by a 30-day transition policy and that CMS was stepping up to enforce this provision. Other strides include CMS’ extending of transition coverage beyond the February15th cutoff date, a steady decrease in the number of inquiries in recent days, improved electronic eligibility enrollment and system check processes, and that 90 percent of enrollees had gained coverage without transition difficulties. Although he fell short of providing a timeframe for reimbursement, Dr. McClellan stated that CMS was working with states to reimburse them for their drug benefit coverage through a demonstration model waiver and that states can expect to be paid for administrative costs too.

A number of legislative measures have been introduced in response to the Medicare transition problems. Sen. Ben Nelson (FL) who represents the state with the largest proportion of seniors was told that CMS would not support his plan to extend the sign up period for the drug benefit by six months. Sen. Nelson said he was considering an amendment to the Senate Tax cut language that would contain such language. Sen. Jeff Bingaman (NM) was also expecting to introduce an amendment to the same bill that would require compensation to all dual eligibles who had experienced gaps in coverage. Chair Smith announced that he had introduced bipartisan legislation with Sen. Bingaman that would allow dual eligibles receiving care in assisted living conditions to have any copayments exempted temporarily, currently those exemptions do not exist. Dr. McClellan was not willing to express a position on the new measure, but he assured the Chair that he would evaluate the proposal.

Gov. Arnold Schwarzenegger, who had met with Department of Health and Human Services (HHS) Secretary Michael Leavitt earlier in the month to discuss the Medicare Part D transition, released a statement this week putting pressure on the federal government to reimburse states for the prescription drug snafu. In the announcement, the Governor warned that California was prepared to join a multistate lawsuit against the federal government if President Bush did not adequately reimburse the state for the additional and long term costs of implementing the prescription drug program. Referring to the new Medicare law, Gov. Schwarzenegger said, “California still stands to be charged $183 million more each year than Congress intended when they passed this legislation. Our state is poised to take action to ensure California does not pay more than its fair share.”

No questions were raised by members of the committee over new Medicaid citizenship verification procedures contained in the new budget reconciliation law. According to Michael Herald of the Western Center on Law and Poverty, those verification procedures could be an “administrative nightmare” for California, which houses a disproportionate share of immigrants, and could potentially be the next “Medicare Part D of Reconciliation”

For more information on this hearing, visit the Senate Special Committee on Aging website at: http://aging.senate.gov/public/index.cfm?Fuseaction=Hearings.Detail&HearingID=74

**PRESIDENT’S STATE OF THE UNION MESSAGE PROMOTES NEW FEDERAL RESEARCH INITIATIVE AND R&D TAX CREDIT PERMANENCE**

On Tuesday, January 31, 2006, President George W. Bush delivered his sixth State of the Union message in the House chamber. More than half of his remarks focused on international topics, particularly security matters and the military operation in Iraq and vicinity.

Regarding domestic topics, Bush expressed optimism about the nation’s economy and job creation. He renewed his call to make permanent a package of tax cuts and to reduce domestic non-security discretionary spending. He stressed the importance of international trade and open markets, noting that one in every five U.S. jobs depends on global trade.

He discussed immigration briefly, stating, “Keeping America competitive requires an immigration system that upholds our laws, reflects our values, and serves the interests of our economy. Our nation needs orderly and secure borders. To meet this goal, we must have stronger immigration enforcement and border protection. And we must have a rational, humane guest worker program that rejects amnesty, allows temporary jobs for people who seek them legally, and reduces smuggling and crime at the border.”

The President discussed energy issues and announced an Advanced Energy Initiative (with a 22-percent increase in clean-energy research) at the Department of Energy, to pursue advances in zero-emission coal-fired plants, solar and wind technologies, and nuclear energy. He also promised to increase hybrid and electric vehicle battery research, as well as hydrogen vehicle research. He also announced plans to fund additional research in
“cutting-edge methods of producing ethanol, not just from corn, but from wood chips and stalks, or switch grass,” with the goal of making those new ethanol methods practical and competitive within six years.

In his message, Bush announced a three-part “American Competitiveness Initiative,” to encourage innovation and promote education, math, and science. A key component is a plan to double over 10 years federal funding for the “most critical basic research programs in the physical sciences.” (He specifically mentioned fields of nanotechnology, supercomputing, and alternative energy sources as examples.) A second component is an effort to make permanent the research and development tax credit. And a third piece is a K-12 education-focused effort to train 70,000 high school teachers to lead advanced-placement courses in math and science, bring 30,000 math and science professionals to teach in classrooms. He also suggested “early help” for students struggling with math.

The President also urged attention to domestic AIDS/HIV concerns, urging Congress to reform and reauthorize the Ryan White Act, and provide new funding to states.

**GAO REPORTS ON US-VISIT PROGRAM**

On January 25, 2006, the Government Accountability Office (GAO) testified that the US Visitor and Immigrant Status Indicator Technology (US-VISIT) program established by the Department of Homeland Security (DHS) surpasses some demanding mandated requirements, but not all. The testimony, provided by Randolph C. Hite, Director, Information Technology Architecture and Systems Issues, was given before the Senate Appropriations Subcommittee on Homeland Security.

The US-VISIT program is focused on collecting, maintaining, and sharing information – including biometric identifiers – on selected foreign nationals who enter and exit the US. The program uses these biometric identifiers (i.e. digital finger scans and photographs) to screen persons against watch lists and to verify that a visitor is the person who was issued a visa or other travel document. Visitors are also to confirm their departure by having their visas or passports scanned and undergo fingerprinting at selected air and sea ports of entry.

Mr. Hite testified that the US-VISIT program had met many demanding requirements mandated by law. For example, a pre-screening capability was in place in overseas visa issuance offices and an entry identification capability was operating at 115 airports, 14 seaports, and 154 land ports of entry at the time GAO conducted their evaluations. However, he pointed out that more improvements are needed to better ensure that the US-VISIT is maximizing its potential for success and holding itself accountable for results. The report points out that DHS has taken steps toward addressing concerns raised by the GAO and is evaluating whether the definition of the US-VISIT program is the “right thing.” To illustrate, DHS is clarifying the strategic context within which US-VISIT is to operate, having drafted a strategic plan to show how US-VISIT is aligned with DHS's mission goals and operations and to provide an overall vision for immigration and border management. However, because the plan has not been approved, the integration with other department-wide border security initiatives remains unclear, Hite said. Also, although the department has analyzed the costs associated with the US-VISIT program (i.e. costs, benefits, and risks), its analyses do not yet demonstrate that the program is producing or will produce mission value commensurate with expected costs and risks. Of particular concern is that the analyses of the department's return on investment for exit options do not demonstrate that these solutions will be cost-effective.

The GAO testimony states that the longer the program proceeds without fully addressing GAO's recommendations, the greater the risk that it will not deliver promised capabilities and benefits on time and within budget.


**ON EVE OF BUDGET AND QDR RELEASE, CHAIRMAN HUNTER WARNS ABOUT DEFENSE FUNDING SHORTAGES**

On Thursday, February 2, 2006, Rep. Duncan Hunter (Alpine), the Chairman of the House Committee on Armed Services, told reporters that the President’s budget (to be released on Monday, February 6) may go too far in cutting spending for the nation’s defense and security needs.

The Bush Administration indicated on February 2 that it will likely ask for $120 billion in additional federal spending to continue the military campaigns in Iraq and Afghanistan (reportedly $70 million to be spent in FY 2006 and another $50 million for FY 2007). However, precise details of the spending, and any rearrangement of military costs associated with the request, have not been released.
In addition, on Friday, February 3, 2006, the Pentagon is expected to release its “Quadrennial Defense Review.” Prepared every four years, the “QDR” serves as a long-range planning document and an indicator of the military’s and the Administration’s intention for the future direction of the nation’s armed services. Referring to information likely to be offered in the QDR, Chairman Hunter warned that there not be a trade-off between personnel and weapons systems. He stated that he and others in the defense community do not want to see “a competition between end strength and modernization.”

Chairman Hunter and the House Committee are expected to finalize their own broad-ranging review, similar to the QDR, within the next several weeks. Although it will likely agree with the QDR in many respects, it is also likely to reach divergent conclusions and recommend alternative approaches. More information regarding the Committee’s developing plan, termed the Committee Defense Review or CDR, is available from the HASC website at http://www.house.gov/hasc/CDR/index.html.

CALIFORNIA SOCIAL SERVICES EXPERTS WEIGH BUDGET RECONCILIATION’S COSTS TO CALIFORNIA; HOUSE PASSES MEASURE 216-214

On January 31, 2006, the California Budget Project (CBP), partnered with the Western Center for Law and Poverty and the Child Care Law Center, gave a presentation on the implications of federal budget reconciliation on California’s social services programs. Speakers from each organization opined that Congress’ $39 billion reconciliation savings bill would hurt California to the tune of $2.5 billion over 5 years. The budget reconciliation measure, otherwise known as the Deficit Reduction Act of 2005, was approved by the House the next day, Wednesday, February 1, 2006. The program most significantly impacted by the cuts contained in the bill would be the Temporary Assistance for Needy Families (TANF) block grant program, according to the presenters.

Jean Ross, Executive Director of CBP, gave a brief overview of Gov. Schwarzenegger’s proposed state budget, asserting that the Governor’s FY 2006-07 plan was a mixed bag for the needy. She stipulated that the state’s projected $5.5 billion operating deficit meant that continued federal support for social service programs was critical for low income communities in California. Ms. Ross noted that proposed budget cuts under deficit reduction are at the top of the list of state government concerns this year. Federal funds account for 31 percent of state budget spending, according to CBP materials.

Most troubling to Ms. Ross was a reconciliation act provision that would impose a penalty on states that fail to verify work participation for TANF cash enrollees. California’s Legislative Analyst’s Office (LAO) predicted that the penalty would cost California over $2 billion over 5 years. The next most serious cut ($270 million over 5 years) would come from language preventing states from using certain child support incentive funds as matching grants, and foster care savings in the bill would cost California roughly $115 million over 5 years.

An FY 2006 1 percent across-the-board cut to all domestic discretionary spending compounds the difficulties for California’s disadvantaged families, according to Ms. Ross. California will lose approximately $300 million in federal social services commitments in the current fiscal year due to the cut.

Michael Herald of the Western Center for Law and Poverty detailed California’s TANF cut implications. The TANF block grant under reconciliation would be reauthorized at level funding or $16.6 billion per year for five years, and would require that states verify the work participation of cash beneficiaries by 2007. According to Mr. Herald, if California does not meet the bill’s requirements of moving 60,000 TANF recipients to 30 hours of work per week by 2007, the state will face a $185 million annual penalty and another $181 million Maintenance of Effort spending commitment.

In addition, the Congressional Budget Office (CBO) estimated that the state will need to spend $400 million annually to try and meet the work requirements. Even then, Mr. Herald suggested that the state could not meet the requirements because many recipients are hard to place in jobs due to the existence of domestic abuse, substance abuse or mental health limitations and face tougher barriers to finding work because of economic stagnancy that did not exist when welfare reform was first instituted.

Nancy Strohl, Executive Director of the Child Care Law Center, discussed the child care implications of the budget cuts. Child care discretionary authorizations grow by $1 billion under the budget reconciliation act, but that increase will only provide enough assistance to aid a fraction of the families that are in need of child care. According to her organization’s estimates, 200,000 eligible Californians are not receiving child care due to
unavailable resources. The new TANF work requirements will likely increase demand for child care, according to Ms. Strohl.

The drafters of budget reconciliation’s TANF block grant guidelines and retention of spending levels claim that welfare rolls have been reduced by almost 60 percent under welfare reform, meaning that more funding would be available for remaining welfare recipients. Furthermore, the potential penalties imposed on states that fail to verify full work participation would serve as an incentive to place more TANF enrollees in jobs and out of poverty.

For more information on this briefing, visit the California Budget Project website at: www.cbp.org. To view the briefing in streaming video or to listen to an mp3 audio file, visit the California Institute’s new A/V page at http://www.calinst.org/video.htm.

**SENATE ACTION TO APPOINT CONFEREES TO TAX BILL STALLED**

Senate Democrats have slowed action in the Senate to appoint conferees to negotiate a compromise between the two tax reconciliation bills passed by the House and Senate late last year. Although the effort to appoint conferees cannot be filibustered, Democrats have said they may offer as many as 20 amendments to the bill because of concerns that Senate conferees will accept the House provisions extending the tax cuts on capital gains and dividends to 2010. The Senate had to drop those provisions last year in order to get the bill passed.

Because the House has cleared the budget reconciliation bill (S. 1932) on Wednesday, there is also more money available for additional tax cuts. Finance Chair Charles Grassley (IA) and Ranking Member Max Baucus (MT) have agreed to use the additional money to extend for two years, instead of the one year included in the original bill, some tax credits, such as the R&D tax credit and the work opportunity credit.

**FIVE-WEEK EXTENSION FOR EXPIRING PATRIOT ACT PROVISIONS**

By a vote of 95-1 late on Thursday, February 2, 2006, the Senate agreed to extend by another five weeks an array of provisions of the 2001 USA Patriot Act. The provisions had been initially slated to expire at the end of December 2005, and had been extended until February 3 after Congress failed to enact a longer-term extension in December. The Senate had been unable to agree on approval of H.R. 3199, a formal reauthorization measure, which was filibustered by a coalition of Senators.

The discussions surrounding renewal of the Patriot Act do not include any changes to the formula for distributing federal grant funding homeland security to state and local first responders. Efforts to alter the formula - which has been criticized for disproportionately favoring small states at the expense of large states - were abandoned in November 2005. For additional information, see Bulletin, Volume 12, Number 32 (11/18/2005).

By simply extending rather than fully reauthorizing the Patriot Act provisions, the compromise fails to enact a methamphetamine enforcement bill that had been attached to the full bill. Supporters of the “Combat Meth Act” had succeeded in including the primary provisions of H.R. 3889, the Methamphetamine Epidemic Elimination Act, and legislation by other lawmakers into the Patriot Act conference report.

The latest extension expires on March 10, 2006.

**CALIFORNIA RESEARCH BUREAU INVESTIGATES CALIFORNIA’S ETHANOL INDUSTRY**

A recent report by the California Research Bureau examines the implications of the Energy Policy Act of 2005 in an attempt to find a solution to petroleum dependency in the United States. Congress passed this comprehensive energy bill on July 29, 2005 in order to incorporate a variety of measures to expand domestic energy production, including alternative and renewable fuels. The Energy Policy Act of 2005 has severe impacts for the state of California and its renewable fuel industry, predominately the ethanol market, according to the report.

Californians consume about 15.5 billion gallons of gasoline per year and the California Energy Commission forecasts that the state’s total demand for gasoline and diesel fuels have the potential to increase by 35 percent over the next 20 years. Given the limitations on in-state oil refining capabilities, this increase can only be met by higher volumes of gasoline imports, thus posing the threat of skyrocketing oil prices and disrupting the economy, CRB found. Policymakers have for years sought viable alternative fuels for automobiles, and today ethanol is deemed the most popular alternative fuel on the market.
According to the report, California was the largest ethanol market in existence in 2004, with an estimated 950 million gallon demand for ethanol, of which, only 7 million gallons were produced in the state itself. The Renewable Fuels Association ranked California as 16th among the 20 states with production capacity and capabilities. As a result, CRB found that ethanol subsidies in the Energy Policy Act will not benefit California as heavily as states with more established fuel distribution systems, like those in the Midwest, thereby potentially risking the livelihood of the state’s ethanol industry and requiring that the state continue to import its ethanol to meet high consumer demands.

Those who support the ethanol industry argue that the state should help the industry overcome these challenges with production incentives, such as subsidies and access to low-capital, and with funds to help support research and development in this related field. However, critics reason that production and market incentives sufficient to sustain and expand California’s ethanol industry would be very costly and consequently the state cannot afford this investment.

The report concludes that the key question over this alternative fuel debate in California is whether the state’s policymakers believe that the costs associated with increasing the use of renewable transportation fuels are worth the potential environmental and long-term economic benefits.

For more information on this report or to view a copy visit the California Research Bureau website at: http://www.library.ca.gov.

REPORT EXAMINES INTELLECTUAL PROPERTY FRAMEWORK FOR CALIFORNIA

The California Council for Science and Technology has released its final report to the California Legislature and Governor on a Policy Framework for Intellectual Property in California. The report focuses on intellectual property derived from state-funded research and ensuring that it is legally protected in ways that encourage and create incentives for the private sector to develop it.

CCST is a nonpartisan 501(c)(3) corporation established by state legislation to offer expert advice to the state government and to recommend solutions to science and technology-related policy issues.

The report is intended to provide background information and recommendations to assist in the discussion on building a comprehensive set of state policies governing the creation and administration of IP developed with state support.

Noting that the state’s purpose in providing financial support for research is to foster the development of new knowledge that will benefit the state and its residents, the report sets out several potential primary objectives that should drive the state’s IP policies. Included are:

- support the open dissemination of research results and transfer of knowledge, where appropriate;
- ensure that discoveries and research tools that are useful for further research are made broadly available to the research community; and
- to the extent possible, preserve the ability for grantees to leverage non-state funds in their related research.

The report also details the federal law, the Bayh-Dole Patent Act, that governs IP, its ownership, and protection at the federal level and offers it as one possible model for the state. It also notes that another model that has been looked at is licensing agreements.

The report recommends four general principles for the state’s IP policy:

- the policy is consistent with the federal Bayh-Dole Act;
- the policy creates incentives for commerce in California from state-funded research to the greatest extent possible;
- the policy encourages timely publication of results to diffuse knowledge widely, and provides guidance on the kinds of data that are desired to be placed in the public domain or available under open source, Creative Commons, or other broad-use licenses, including software and special databases; and
- the policy requires diligent commercialization of IP-protected technology into products that benefit the public.

With those principles in mind, the report concludes that the state develop IP policy that accomplishes several goals, including:

- permit grantees to own IP rights from state-funded research;
- where appropriate, require that grantees (institutions, individuals, or both) provide a plan describing how IP will be managed for the advancement of science and benefit to California; and
- grant basic research funds without requiring that grantees commit to providing a revenue stream to the state. If, however, a revenue stream develops over time, require that revenues be reinvested in research and education.

For a complete copy of the report visit the CCST website at: http://www.ccst.us.

UCLA & Institute Host Briefing On Day Labor In U.S.
The California Institute in conjunction with the University of California Los Angeles hosted a luncheon briefing attended by about 65 people on the first national survey on day labor, on Friday, January 27, 2006 on Capitol Hill. In connection with the release of their groundbreaking report, UCLA professor Abel Valenzuela and University of Illinois at Chicago professor Nik Theodore discussed the first nationwide study of day laborers entitled *ON THE CORNER: Day Labor in the United States.*

In 2003, Professors Valenzuela, Theodore and Edwin Melendez (New School University) launched a national study of day labor and its industry, surveying workers in 264 hiring sites in 139 cities and 20 states, including Washington D.C. The study was funded by the Rockefeller Foundation, the Ford Foundation and the Community Foundation for the National Capital Region.

Day laborers are mostly immigrant men who search for work on street curbs, home improvement stores, and busy intersections. But, the survey found, they do not necessarily meet the stereotypes often associated with them. They attend church, raise children and participate in community activities and institutions. However, when they go to work, they, more than other “mainstream” workers, experience police harassment, violence at the hands of employers, withheld wages, and working conditions that often result in work-related injuries that prevent them from working for more than a month or to continue to for weeks in pain.

Among the survey’s findings:
- Once contained to ports-of-entry cities along the East and West coasts, day labor is now a nationwide phenomenon, spilling into small and rural towns throughout America, including the South and Midwest;
- Day labor may be widespread, but the total count of these workers is actually one-tenth to one-20th the size cited by opponents of immigration;
- Wage theft is the most common abuse suffered by day laborers, with nearly half of all workers having been denied payment in the two months prior to the survey; and
- Just over three-quarters of day laborers are undocumented immigrants, meaning that the share of American citizens working in day labor is much higher than commonly supposed and that day laborers account for only a small fraction of the estimated 7- to 11-million undocumented immigrants in America today, according to the authors. To view the briefing in streaming video or to listen to an mp3 audio file, visit the California Institute’s new A/V page at http://www.calinst.org/video.htm.

CCST Report Examines California’s Federal Laboratories
A recent report by the California Council on Science and Technology (CCST), researches the benefits and potential of California’s six largest federal laboratories. California is home to over 40 federal laboratories, the largest concentration of federal laboratories in the country, ranging from small facilities to large facilities that have annual budgets of over $1.5 billion each. The federal labs provide important science and technology capabilities and infrastructure to the state, as well as a wide range of other benefits, including: funneling $5 billion in annual spending into the state; creating more than 23,000 jobs throughout the state; collaborating with research universities in California; and providing science education for thousands of school age students.

Three out of the six largest federal laboratories – Lawrence Berkeley, Livermore, and the Stanford Linear Accelerator Center, are all affiliated with the U.S. Department of Energy for which these labs conduct unclassified research in physics, energy, advanced computing, biology, national security, and the reliability and safety of nuclear weapons. Two other facilities are run by the National Aeronautics and Space Administration (NASA), the Ames Research Center and the Jet Propulsion Laboratory, and they specialize in robotics, spacecraft re-entry systems, advanced computing, aviation safety, astronomy, nanotechnology, and deep-space communication networks. The sixth federal laboratory, the Sandia National Laboratories (California branch), is at the forefront of
groundbreaking work on hydrogen fuel systems and introducing detection technologies to mitigate the risk and consequence of possible chemical and biological attacks.

Furthermore, these federal facilities have led to the creation of start-up businesses that have been transformed into publicly traded companies that have market capitalization of up to hundreds of millions of dollars. The lab facilities also run a host of education programs for high school seniors and fellowship programs for graduate and undergraduate students.

According to CCST’s report, today more than ever, California’s economic future increasingly relies on scientific and engineering expertise. Yet, the primary concern regarding these federal laboratories are that they remain a largely untapped resource by the state of California, while the federal government is predisposed to regularly calling on these facilities. Laboratory officials are struggling to determine how to best inform the state government of these same resources, so as to be able to bestow important know-how and highly specialized facilities for the state. The author asserts that there are significant issues facing these research facilities including: challenges facing state government procurement policies, challenges facing the industry about relationships between state companies and federal laboratories, and the fact that the federal laboratories in California must compete vigorously with labs in other states to earn resources for new projects and facilities.

The author concludes by reiterating that the state’s six major federal labs provide California with the raw talent and research muscle that helps make the state a world leader in science and technology. Moreover, there are practical, achievable steps that can be taken in order to reduce barriers and enable California to take better advantage of what the laboratories have to offer by creating bridges between the laboratories and state officials. For instance, while preparing the report, CCST discovered that the state’s contracting laws may impede cooperative research between the state and private sector interests. State law requires that contractors can not be paid until the work has been completed, but federal law requires that the labs must be paid up front before work can begin. State Senator Jackie Speier has recently introduced legislation to resolve this conflict.

For more information or to download the report, visit the CCST website at: http://www.ccst.us.

CALIFORNIA COMMUNITY COLLEGE CHANCELLOR’S RECEPTION FOR D.C. DELEGATION

Chancellor Mark Drummond, members of the California Community College Board of Governors, and the Foundation for California Community Colleges will be welcoming legislators and the National Summit attendees to the inauguration of the 1st Annual California Community College Chancellor’s Reception for the California Delegation, on the 7th of February 2006. The reception will be held in Room 430 of the Dirksen Senate Office Building (the Committee room for the Senate Committee on Health Education Labor & Pensions, or HELP) on Tuesday evening from 5:30 p.m. to 7:00 p.m. It is intended to extend the appreciation of the California community college system to its supporters and their efforts to meet the needs and enhance the well-being of the 3 million students enrolled in the system.

FRIDAY BRIEFING RE K-12 EDUCATION ISSUES BY CSBA – 2:00 PM IN 2257 RAYBURN

Representatives of the California School Board Association will be in Washington on Friday, February 3, 2006 and will give a Capitol Hill briefing regarding state and federal education policy issues. The briefing will take place from 2:00 to 3:00 p.m. on Friday in Room 2257 of the Rayburn House Office Building.

The CSBA representatives will provide information and engage in discussion regarding Governor Schwarzenegger's K-12 budget and infrastructure proposals, the Secure Rural Schools & Community Self-Determination Act (H.R. 2389/H.R. 517), and reauthorization of the No Child Left Behind Act (NCLB).

For further information, or to contact the presenters in advance, feel free to visit the CSBA website at http://www.csba.org or contact either Rick Pratt or Victoria Amundsen at 916-325-4020. To contact the California Institute, visit http://www.calinst.org or call 202-546-3700. No reply is necessary to attend the briefing.

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