To expand communications between Washington and California, the California Institute provides periodic news bulletins regarding current activity on Capitol Hill that directly impacts the state. Bulletins are published weekly during sessions of Congress, and occasionally during other periods.

BIPARTISAN LETTER IN SUPPORT OF R&D TAX CREDIT EXTENSION CIRCULATING

Reps. Xavier Becerra (Los Angeles) and Wally Herger (Marysville), both members of the Ways and Means Committee, are circulating a letter supporting extension of the Internal Revenue Code Section 41 research tax credit, known as the R&D tax credit. The letter, addressed to Speaker Nancy Pelosi (San Francisco), Ways & Means Chair Charles Rangel (NY), Minority Leader John Boehner (OH), and Ways & Means Ranking Member James McCrery (LA), supports extending and strengthening the credit, which is currently set to expire on December 31, 2007.

The letter points out the importance of research and development to California’s economy with its numerous high-tech, cutting-edge industry sectors, noting that in 2000 the state ranked first in R&D activity as well as in the share of total dollars distributed for R&D activity. For 2003, the last year for which data are available, California spending on R&D reached almost $60 billion, an increase of $8.3 billion over the previous year. The letter notes that the R&D credit has “proven to be an effective means of encouraging companies to increase their American-based research activities and to keep those jobs in the U.S. and, as a result, California.”

So far the letter has been signed by 22 members of the California Delegation. Other members wishing to sign should contact either Stacey Rolland in Rep. Becerra’s office: stacey.rolland@mail.house.gov - phone: x5-6235; or Dan MacLean in Rep. Herger’s office: daniel.maclean@mail.house.gov - phone: x5-3076. The deadline for signing is Wednesday, September 12, 2007.

LAURA RICHARDSON SWORN IN AS 37TH CONGRESSIONAL DISTRICT REPRESENTATIVE

On Tuesday, September 4, 2007, Laura Richardson was sworn in as the newest member of the U.S. House of Representatives. In August, Richardson won 67 percent of the vote in a special election for the 37th Congressional District seat, which includes Carson, Compton, Signal Hill, and portions of Long Beach. She replaced the late Rep. Juanita Millender-McDonald, who died in April and who had assumed the chair of the House Administration Committee in January. A UCLA graduate and former preschool staff,

CONTENTS:
- Bipartisan Letter In Support of R&D Tax Credit Extension Circulating .................................................. 1
- Laura Richardson Sworn in as 37th Congressional District Representative ............................................... 1
- Court Orders Reduced Delta Water Pumping To Protect Smelt ................................................................. 1
- House Immigration Subcommittee Examines STRIVE Act Proposal ......................................................... 3
- Miller, McKeon Unveil Major Bill to Reauthorize No Child Left Behind ................................................ 4
- House Ways and Means Examines Tax Policy Fairness, AMT Fix Discussed ...................................... 4
- House Housing Subcommittee Addresses Elderly Housing Bill .............................................................. 5
- House Select Committee on Energy Independence and Global Warming Discusses Coal Under Cap-and-Trade Scheme ......................................................... 6
- PPIC Report “Death In The Golden State” Probes Racial and Ethnic Differences Among Californians’ Life Expectancies ................................................................. 6
- West Coast Cities Measured Most Severe in Critical Housing Needs ..................................................... 7
- New Immigration Report Released by the Center for Immigration Studies ........................................... 8
- Alliance for Health Reform Hosts Briefing on SCHIP Report Looks At Unemployed Replacing Undocumented Workers ......................................................... 8
- House Expected to Approve Patent Law Rewrite ......................................................................................... 10
Richardson at one time worked for Rep. Millender-McDonald, as well as for Lt. Gov. Cruz Bustamente. She served on the Long Beach City Council for 6 years and most recently was a member of the California State Assembly.

Rep. Richardson has yet to be given committee assignments, but she has expressed interest in the Homeland Security Committee as well as Transportation & Infrastructure, a panel on which Millender-McDonald had served. In her efforts to gain the assignments, she has garnered the support of fellow California House members as well as of her primary election rival, State Senator Jenny Oropeza.

**COURT ORDERS REDUCED DELTA WATER PUMPING TO PROTECT SMELT**

A Federal Judge in California on August 31, 2007 ordered California and the federal government to reduce the amount of water pumped into the Sacramento-San Joaquin Delta in order to protect the Delta smelt, which has been listed as a threatened fish species. The reduction, from the pumps of the California State Water Project and the federal Central Valley Project, may result in an average loss of 2 million acre-feet of water, about one-third the amount previously available, to the Bay Area, Central Valley and Southern California. In wet years, the reduced water flow could be even greater. A half million acre-feet represents the water needed to supply about 1 million households.

U.S. District Court Judge Oliver Wanger issued the order subsequent to his earlier ruling that the federal permit governing the pumping of water at both California's and the federal government's pumps was legally insufficient to protect Delta smelt, whose population has been declining precipitously. Overruling arguments that invasive species and toxic substances have created the problem, Wanger held that the pumps cause reverse flows in the Delta that kill the smelt and damage their vital habitat. “The evidence is uncontradicted,” he argued, “that these project operations move the fish. It happens and the law says something has to be done about it.”

In response to the ruling, Governor Arnold Schwarzenegger said: "Today's federal court ruling to drastically cut Delta water exports is further proof that our water system is broken, unreliable and in crisis. Judge Oliver Wanger's decision is a devastating blow to our water supply system and state economy. We must act now to ensure the safety and reliability of California's water system while we work to protect the environment. . .

“Earlier this year, I proposed a comprehensive water plan to ensure that California has enough clean, safe water for our people, businesses, farms and for the environment. I've also established the Delta Vision Task Force to provide recommendations and help us find solutions to fix the Delta. We need to invest in a better conveyance system so we have reliable water supplies and are able to protect the Delta's fragile ecosystem. Following today's ruling, there can be no doubt, we need more water storage and greater conservation efforts to meet the needs of our growing population, respond to the challenge climate change presents and meet the requirements of what the court has imposed.”

Association of California Water Agencies Executive Director Tim Quinn, while stressing that ACWA supports conservation efforts, said, “This ruling
takes away more than just acre-feet of water. It takes away the water management toolbox we’ve created over the past 20 years through public investment in everything from local water storage to water transfers. All of these are at risk.” Jeff Kightlinger, General Manager of the Metropolitan Water District (MWD) which supplies much of southern California’s water needs estimates that it may lose as much as 30 percent of its supplies from northern California for 2008 and maybe longer. “California simply cannot lose important water supplies without real consequences throughout the state,” he said. “This historic court decision affirms what the water community has realized for some time, but the general public may not fully appreciate – the Delta, both as a valuable ecosystem and essential water supply, is broken. This court ruling did not fix it.”

Environmental groups, who had sued to protect the fish, hailed the ruling, with Kate Pool of the Natural Resources Defense Council saying that the order “appears to improve the smelt's chances” for survival. "The San Francisco Bay Delta,” she said, “can't perform its vital job of supplying clean water for people, if it's so sick that it can't even support the tiny delta smelt."

The parties to the case have 50 days to jointly come up with a plan based on an outline Wanger provided. Earlier this year he had refused to adopt a U.S. Fish and Wildlife Service opinion regarding water management in the Delta and ordered the agency to rewrite the opinion. His current ruling will be in effect until the agency finishes rewriting that opinion.

**HOUSE IMMIGRATION SUBCOMMITTEE EXAMINES STRIVE ACT PROPOSAL**


Among the witnesses testifying were: Rep. Jeff Flake (AZ), co-sponsor of the bill with Rep. Luis Gutierrez (IL), a member of the Subcommittee; Reps. Joe Baca (Rialto), Chair of the Congressional Hispanic Caucus; Ray LaHood (IL), and Brian Bilbray (San Diego), Chair of the Immigration Reform Caucus; as well as Reverend Luis Cortés, Jr., President, Esperanza USA; Cassandra Q. Butts, Senior Vice President for Domestic Policy, Center for American Progress; Michael L. Barrera, President and CEO, United States Hispanic Chamber of Commerce; and Julie Kirchner, Director of Government Relations, Federation for American Immigration Reform.

In her opening remarks, Chair Zoe Lofgren (San Jose) noted her “enormous disappointment” when the Senate was unable to move comprehensive immigration reform this past spring. Rep. Gutierrez said that Congress should be “ashamed of ourselves” for failing to take charge of immigration policy. Ranking Member Steve King (IA) objected to H.R. 1645, however, as including provisions that are “clearly amnesty.”

In his testimony Rep. Flake described H.R. 1645 as a “comprehensive approach to fixing our immigration system [that] includes provisions dealing with border security, interior enforcement, worker verification, a new worker program, visa backlogs, and legalizing the undocumented population.”

Rep. Baca stated that the Hispanic Caucus views the bill as “the compromise solution that best fits the immigration problem and the political reality we are in.” He cited its provisions to hold employers accountable, protect employees’ rights, and provide for strong border security by increasing enforcement personnel on the border and increasing penalties for crimes committed against immigrants. The bill would also set up a new worker program for low-skilled workers, when a U.S. worker cannot be found to fill a job. Baca also noted that the bill addresses the needs of farmers by incorporating the Ag Jobs provisions from earlier bills, and establishes an employment verification system. Moreover, he testified, it benefits immigrants and families by giving more children access to education through the DREAM Act, and by providing a pathway to legalization for qualified undocumented immigrants.

Rep. Bilbray, on the other hand, testified against H.R. 1645 on behalf of the Immigration Reform Caucus, stating: “The STRIVE Act and similar plans have failed to gain wide support from the American people for a very simple reason: Americans do not believe that we should reward people for breaking our
laws.” He noted several flaws he and the IRC find in the bill, including especially their belief that it would grant amnesty to nearly all illegal immigrants currently in the United States. While noting that the bill does make improvements in border security, Bilbray also expressed concern that it would undermine U.S. sovereignty because it requires “developing and implementing an immigration security strategy for North America that works toward the development of a common security perimeter” for the United States, Canada, and Mexico, and the establishment of a U.S. Mexico Border Enforcement Review Commission. Rep. Bilbray suggested the committee concentrate on moving the provisions of H.R. 98, which are included in the bill and which was introduced by Reps. David Dreier (San Dimas) and Silvestre Reyes (TX). H.R. 98 would enforce restrictions on employment of undocumented aliens through improved Social Security cards and an Employment Eligibility Database.

During the Q&A, Rep. Elton Gallegly (Simi Valley) quizzed Rep. LaHood on his support for the STRIVE Act, stating that it rewards illegal behavior by “changing the rules for people who weren’t playing by the rules and sends the wrong message to America.”

Under H.R. 1645, the worker program and the immigrant legal residence program would not be triggered unless the Department of Homeland Security certifies that specific conditions have been met regarding border security, document security, and the first phase implementation of the electronic employment verification system.

For the testimony of all the witnesses, go to: http://judiciary.house.gov.

MILLER, MCKEON UNVEIL MAJOR BILL TO REAUTHORIZE NO CHILD LEFT BEHIND

As Congress returned from the August 2007 recess, members interested in the future of K-12 education had the opportunity to review a bipartisan package of measures introduced by the top Democrat and Republican on the Education and Labor Committee -- both of them Californians. Committee Chairman George Miller (Vallejo) and Ranking Republican Buck McKeon (Santa Clarita) jointly offered a legislation, which they emphasize is a starting point for discussion and not meant to be a finished product. The package, more than 1000 pages in all, divided into three portions, is available for review and download from the Education & Labor Committee website, http://edlabor.house.gov.

As befitting a starting point bill, the discussion drafts for the most part do not specify dollar amounts for most programs or propose formula changes to redistribute education dollars. These additions would be added downstream in the legislative process.

As drafted, the bill seeks to allow more flexibility for determining whether a school is passing or failing the law’s standards; a number of school districts and states have expressed concern that NCLB imposes a one-size-fits-all approach to goal-setting for academic performance, and that realistic subtleties sometimes need to be accommodated. The draft would allow “alternative indicators” of student performance for a limited proportion of the calculation for what meets or fails to meet a national testing standard.

The legislation also seeks to encourage a more even distribution of “highly-qualified teachers” among schools and school systems. It would also allow students for whom English is not their first language to be tested in their native language for a longer period of time than permitted under current law.

The committee has asked for comments regarding Title II through Title IX of the law be returned to the committee by Friday, September 14, 2007.

The full text of the documents, summaries of the proposals, and other NCLB details are available on the Committee’s NCLB page, at http://edlabor.house.gov/micro/nclb.shtml.

HOUSE WAYS AND MEANS EVALUATES TAX POLICY FAIRNESS, AMT FIX DISCUSSED

On September 6, 2007, the House Committee on Ways and Means held an all-day hearing to review various aspects of tax policy but sought to focus on fairness and equatability of policy application. The hearing, entitled “Fair and Equitable Tax Policy for America’s Working Families” focused on a number of tax fairness issues, including the tax treatment of investment fund managers and the impact of the alternative
minimum tax on working families. Witnesses also examined the reasons why investment funds are being organized offshore. The discussion evolved into a comprehensive examination of Federal income tax fairness, with particular attention to investment fund manager compensation and the effects of the alternative minimum tax on tax rates. The hearing featured four panels of witnesses testifying from a wide selection of specialties and areas of expertise.

One of the subjects addressed was the Alternative Minimum Tax (AMT), which is affecting an increasing number of Americans and which Californians pay disproportionately. In the most recent tax year for which data were available, California taxpayers accounted for 22 percent of the nation’s payers of the AMT.

The AMT was a primary focus for the testimony of Dr. Leonard E. Burman., Director of the Urban-Brookings Tax Policy Center. He noted that recent tax cuts have vastly increased the number of people potentially subject to the AMT. “Barring a change in law,” Burman noted, “more than twice as many people will owe AMT in 2007 as would have under pre-2001 law.” Many of the new AMT taxpayers have modest incomes.

Burman also commented, “While the periodic temporary increases in the AMT exemption have blunted the tax’s impact on the middle class, they also lead to great uncertainty about individual income tax liability and can undermine fiscal discipline.”

Later, Burman pointed out that the AMT is inefficient: “most taxpayers face higher effective marginal tax rates under the AMT than they would under the regular income tax—and that problem is getting much worse as more middle-income people (who face relatively low rates under the regular income tax) become subject to the AMT.” He said that the result is that, “The high tax rates discourage saving and working and encourage tax avoidance.” Finally, he charged that, “the AMT is hideously complex. It confounds taxpayers trying to comply with the law.”

Among the other witnesses was Peter Orszag, Director of the Congressional Budget Office. A few key points from Mr. Orszag’s testimony include:

- A growing amount of financial intermediation is occurring through private equity and hedge funds which are typically organized as partnerships or limited liability companies, those funds now have at least $2 trillion under management
- A general partner of a private equity or hedge fund typically receives two types of compensation: a management fee tied to some percentage of assets under management and “carried interest” tied to some percentage of the profits generated by those assets
- The management fee is taxed as ordinary income to the general partner while taxation of the carried interest is deferred until profits are realized on the fund’s underlying assets
- A variety of proposals have been put forward to alter the tax treatment of carried interest and policymakers considering those changes need to evaluate many factors, including the potential distortions created by the current tax treatment of partnerships; the consequences for a broad range of industries; and any impact on net tax revenues
- Further widening of the differential between the taxation of capital gains and of ordinary income would create even stronger incentives to shift income into the tax-preferred form of capital

For more information, visit: http://waysandmeans.house.gov.

HOUSE HOUSING SUBCOMMITTEE ADDRESSES ELDERLY HOUSING BILL

On September 6, 2007, the House Committee on Financial Services Subcommittee on Housing and Community Opportunity held a hearing entitled “H.R. 2930, the Section 202 Supportive Housing for the Elderly Act of 2007.” The bill is aimed at improving the program for supporting housing for the elderly. The hearing elaborated on the shortcomings of the current law and potential problems that will emerge as the population ages and the baby boomers reach retirement age.

The hearing featured testimony from the U.S. Department of Housing and Urban Development, the President and CEO of TELACU (a developer of Section 202 Supportive Senior Housing in Southern

California), the Director of Presbyterian Homes and Housing Foundation of Florida, the President of Jewish Community Housing for the Elderly, the President of Elderly Housing Development and Operations Corporation, and several other elderly housing experts.

A few key points from the hearing included:
- Of the 21.8 million households headed by seniors in 2001, 80% were owners and 20% were renters
- 73% of senior homeowners owned their homes free and clear
- 8.4 million of the nation's 21 million elderly have incomes of less than $10,500 a year
- The median income for a resident in a HUD Section 202 project is $9,480 and that resident is more than likely female
- California has a statewide “In Home Supportive Services” program and Los Angeles offers a “Program for All Inclusive Care for the Elderly” (PACE)
- To accommodate a growing elderly population new Section 202 low-income housing units for the elderly need to be constructed
- Non-profit development firms, like TELACU, need to compensate for shortfalls in HUD funding for Section 202 projects


**HOUSE SELECT COMMITTEE ON ENERGY INDEPENDENCE AND GLOBAL WARMING DISCUSSES COAL UNDER CAP-AND-TRADE SCHEME**

On September 4, 2007, the House Select Committee on Energy Independence and Global Warming held a hearing entitled “The Future of Coal Under Carbon Cap and Trade.” The purpose of the hearing was to explore how to maintain coal as part of the energy mix for America and the world, while avoiding the dangers of global warming. The hearing elaborated on technologies like carbon capture and storage, emissions reductions, and clean coal technology. Much of this discussion focused around how the framework for implementing these changes could affect the development and deployment of the future of coal-fired power plants.

The hearing featured testimony from the Governor of Wyoming, the CEO of American Electric Power, the Department of Energy’s National Energy Technology Laboratory, the National Resources Defense Council, and the Electric Power Research Institute.

For more information about the hearing, please visit: [http://globalwarming.house.gov](http://globalwarming.house.gov).

**PPIC REPORT “DEATH IN THE GOLDEN STATE” PROBES RACIAL AND ETHNIC DIFFERENCES AMONG CALIFORNIANS’ LIFE EXPECTANCIES**

The Public Policy Institute of California released a report in late August 2007 entitled *Death in the Golden State: Why Do Some Californians Live Longer?* It provides new detail about causes of death for all major racial and ethnic groups in the state, and finds that despite marked progress in longevity over the last century, considerable lifespan differences persist. Socioeconomic status and educational attainment as well as health factors contribute to these disparities. Public education efforts can both target the leading causes of death and reduce disparities between groups, the report concludes.

Authors Helen Lee and Shannon McConville found that a black man in California can expect to live 68.6 years on average, far less than the life expectancy of the average California white male, who can expect to live 75.5 years. Moreover, black men in California live far fewer years than men in all other major racial and ethnic groups. The average life expectancy for all males in the state is 75.9 years, with a 75.5 average for whites, 77.5 for Hispanics, and 80.4 for Asians, compared to the black males average 68.6 years.

Differences in causes of death account for much of the disparity, the report finds. Heart disease is responsible for the largest difference in life expectancy between black and white men (30%), followed by homicide (12%). Although eliminating these two causes of death would reduce the male white-black gap by
more than 40 percent, blacks—both men and women—still have higher death rates than whites for nearly all chronic illnesses and injuries, the report finds.

Although not nearly as pronounced, the study finds that mortality rates differ across other racial and ethnic groups and are also primarily driven by disparate causes of death. Overall, Hispanics and Asians have slightly longer life expectancies than whites, and this advantage is driven mostly by lower death rates from diseases such as cancers, chronic lower respiratory disease, and heart disease, the authors state. Hispanics and Asians, however, would have an even larger advantage if they were not more susceptible to other diseases. For example, Hispanic men would have a 30 percent higher mortality advantage over white men if diabetes and liver disease/cirrhosis of the liver were eliminated. Diabetes also lowers the advantage for Hispanic women, who are nearly two and a half times more likely than white women to die of the disease, the report finds.

“Clear racial and ethnic patterns emerge for many conditions,” says Lee. “A more detailed understanding of the patterns could help health officials develop strategies that both target the leading causes of death and reduce disparities between groups.”

To view or download the entire report, visit the PPIC website at: http://www.ppic.org.

WEST COAST CITIES MEASURED MOST SEVERE IN CRITICAL HOUSING NEEDS

On August 30, 2007, the Center for Housing Policy released a new report entitled “Housing Crunch Not Just For Homeowners: Number Of Working Family Renters Paying More Than Half Their Income For Housing Doubles.” Authored by Maya Brennan and Barbara J. Lipman of the Center, the report finds that the number of working family renters paying more than half their income for housing grew 103 percent from 1 to 2.1 million between 1997 and 2005. The number of working family homeowners, however, paying more than half their income for housing increased at a significantly slower rate, rising 75 percent from 1.4 million to 2.4 million during the same time period. Between 1997 and 2005, the number of working family renters and homeowners combined with severe housing cost burdens rose from 2.4 to 4.5 million – an increase of almost 87 percent. The share of renters living in dilapidated housing dropped between 1997 and 2005, according to the report, but dilapidated housing still is more likely to be a problem for renters than for homeowners. Sacramento is the only West Coast city where the rate of critical housing needs for working families increased by more than 60 percent over the time period studied.

In addition to measuring changes over time, the study measured the rate of critical housing needs among working families in each of the 31 metropolitan areas studied. This share varied widely, ranging from a high of 28 percent in Los Angeles to a low of 6 percent in Columbus, OH. While critical housing needs were most severe in the West Coast cities of Los Angeles, Anaheim and San Diego, and the East Coast markets of New York and Miami, significant numbers of working families in every metro area – including those in Atlanta, Denver and Indianapolis – pay more than half their income for housing. In several markets, such as Los Angeles, New York and Newark, substantial numbers of working families also live in severely dilapidated housing.

The following are a few key findings from the report:
- Almost 40 million households in America meet the study’s definition of working families
- From 1997 to 2005 the number of working families with critical housing needs – that is, those that paid more than half their income for housing, and/or lived in severely dilapidated conditions – increased 73%
- 5.2 million working families experienced critical housing needs in 2005 compared to 3 million in 1997
- Between 1997 and 2005, the number of working family renters and homeowners combined with severe housing cost burdens rose from 2.4 to 4.5 million – an increase of almost 87%
- In 2005, while nearly 40% or about 2.1 million of all working families with critical housing needs lived in central cities, 2.2 million or 43% of working families, lived in the suburbs and 51% of working family renters lived in central cities compared to 28% of their homeowner counterparts
- Since 1997, the highest rates of critical housing needs have been found in the West – 1 in 6 working families – and in the Northeast – 1 in 7 working families.
NEW IMMIGRATION REPORT RELEASED BY THE CENTER FOR IMMIGRATION STUDIES

On Thursday, August 30, 2007, at a Center for Immigration Studies (CIS) panel discussion, CIS's Director of Research Steven Camarota discussed his latest report: 100 Million More: Projecting the Impact of Immigration on the U.S. Population, 2007 to 2060. Camarota and his team analyzed new projections which show that the current level of immigration (legal and illegal) will add more than 100 million people to the nation's population by 2060. The findings, modeled on earlier projections by the Census Bureau, show that the current level of immigration will add 105 million to the population by 2060, while having a small effect on the aging of society. Camarota followed his findings with a policy discussion asserting that the central question his study raises is what costs and benefits come with having a much larger population and a more densely settled country.

The panel featured remarks by Dr. Camarota, Ben Wattenberg, Senior Fellow at the American Enterprise Institute, and Roy Beck, Executive Director of Numbers USA. A few key points from the report include:

- 1.6 million legal and illegal immigrants settle in the country each year; 350,000 immigrants leave each year, resulting in net immigration of 1.25 million
- If immigration continues at current levels, the nation's population will increase from 301 million today to 468 million in 2060 - a 167 million (or 56%) increase
- Future immigrants plus their descendants will account for 105 million (or 63%) of the increase
- Net immigration has been increasing for five decades; if that trend continues, the increase caused by immigration will be higher than the projected 105 million

To view the study, visit http://www.cis.org.

ALLIANCE FOR HEALTH REFORM HOSTS BRIEFING ON SCHIP

On August 29, 2007, the Alliance for Health Reform hosted a briefing entitled “WHO’S COUNTING? What is crowd-out, how big is it and does it matter for SCHIP?” The briefing, evaluated “crowd out” effects of public children’s health insurance programs on private enrollment. A recent concern involving the reauthorization of SCHIP programs involves getting affordable, high quality health insurance to low-income children while trying to minimize the replacement of private insurance coverage. The Census Bureau reported that the number of children under 18 without insurance rose from 8 million to 8.6 million from 2005 to 2006. That is the highest number ever reported. It’s a million children more than there were in 2004, and it’s almost 12-percent of the 74 million youth in this country. The briefing featured presentations from Lisa Dubay of Johns Hopkins Bloomberg School of Public Health, Ann Clemency Kohler of the New Jersey Department of Human Services, Peter Orzag of the Congressional Budget Office and Janet Trautwein of the National Association of Health Underwriters.

The following are a few key points from the briefing:

- Econometric studies suggest that crowd-out is in the range of 25% to 50%, which is about what the Congressional Budget Office said that it would be when it scored the bill initially
- Six states found no evidence of crowd-out, five states found crowd-out rates less than 5%, and three states reported crowd-out rates between 10% and 20%
- There are changes in the matching rate under the Senate Bill that will reduce the matching rate for states that go above 300% of poverty
- Between 100-percent and 200-percent of poverty, the percentage of children in that income range that were uninsured fell from over 22% in 1996, the year before SCHIP was created, to a little bit under 17% in 2005, a very substantial reduction that did not occur at higher income levels.

For more information, please visit: http://www.allhealth.org.
REPORT LOOKS AT UNEMPLOYED REPLACING UNDOCUMENTED WORKERS

The August 2007 edition of Numbers in the News examines the question: Can the Unemployed Replace Unauthorized Workers? The report was authored by Stephen Levy, Director of the Center for Continuing Study of the California Economy, and examines the question in light of recent efforts to weed undocumented workers out of the U.S. workforce.

Levy finds that the total number of unemployed workers is less than the number of unauthorized immigrant workers and far less in states like California and Texas. Most unemployed workers remain unemployed for only a short period of time and return to their previous occupation. The lowest unemployment rates in the past 20 years were 4.7% in California and 3.9% nationally at the height of the Internet boom. Currently, California has an estimated 1.9 million unauthorized immigrant workers while total unemployment is less than 900,000.

Overall, unemployed workers have higher education and are more concentrated in professional and office occupations compared with unauthorized immigrant workers. Levy found that 81% of unemployed workers graduated from high school and 46% attended college compared with just 51% of unauthorized immigrant workers who completed high school and 26% with some college experience. Moreover, 39% of unemployed workers have professional or office/sales occupations compared to 22% of unauthorized immigrant workers, who are more heavily concentrated in service, construction and production occupations, Levy said.

As a result, Levy concludes that while some unemployed workers would benefit from replacing fired unauthorized immigrant workers, the number of unemployed workers realistically falls far short of the number of workers who might be fired in addition to the geographic, educational and occupational mismatches of the two groups.

To view the report, go to: http://www.ccsce.com.

LATEST CENSUS POPULATION ESTIMATES REVEAL MAJORITY-MINORITY TREND

On August 9, 2007, the U.S. Census Bureau released its latest County Characteristics population estimates as of July 1, 2006. The press release is titled “More Than 300 Counties Now ‘Majority-Minority’.” The data show the estimates of population broken down into race in counties with a population of more than 1 million. In one out of every 10 counties, the minority population makes up more than 50 percent of the county’s population. In 2006, an additional eight counties became ‘majority-minority’, according to the data. The minority population, in the context of this report, refers to anyone who indicated that they were either Hispanic or a race other than white.

Below are the findings of the report for the various groups as they pertain to CA:

**Hispanic**
- Nationwide and statewide Los Angeles County had the largest Hispanic population (4.7 million), followed by Orange County (987,000) and San Bernardino County in third place (918,000).

**Black or African American**
- Statewide Los Angeles County had the largest black population in 2006 (1 million) with Alameda County in second (216,000) and San Bernardino County in third (206,000).
- Nationwide, LA County came in second after Cook County, IL (1.4 million).

**Asian**
- LA County had the largest Asian population (1.4 million) in 2006, with Santa Clara County (home of San Jose) the runner-up (556,000) and Orange County in third (518,000).
- Santa Clara County had the largest numerical increase (17,600) from 2005 to 2006, followed by Los Angeles (15,700).
- Honolulu County, Hawaii led the nation with a population that was 59 percent Asian.
- San Francisco County, CA, led the continental United States, with 34 percent of its population Asian.

**American Indian and Alaska Native**
- Nationwide and statewide, LA County had the largest population at 150,000. San Diego County came in second (48,000) and San Bernardino County in third (45,000).
- Riverside County, Calif. (1,600) had the second largest numerical increase between 2005 and 2006.

**Native Hawaiian and Other Pacific Islander**
- LA County had the largest population (59,000) with San Diego County in second (27,000) and Alameda County in third (19,000).
- Nationwide, LA County came in second after Honolulu County (177,000).

**Non-Hispanic White Alone**
- Nationwide, LA County had the largest population of residents who were part of this group (2.9 million), with Cook, Ill., second at 2.4 million.
- San Diego County comes in second (1.5 million) and Orange County in third (1.4 million).

To access the report, visit [http://www.census.gov/popest/estimates.php](http://www.census.gov/popest/estimates.php).

**HOUSE EXPECTED TO APPROVE PATENT LAW REWRITE**

On Friday, September 7, 2007, the House of Representatives was expected to approve a bill to overhaul the nation’s patent laws. The House Judiciary Committee had reported the bill, the Patent Law Reform Act, (H.R. 1908), on a 13-5 vote back in July after several weeks of stalled attempts. Spearheaded largely by Rep. Howard Berman (North Hollywood), Chairman of the Courts, the Internet, and Intellectual Property Subcommittee, the bill still will likely require considerable conference drafting and negotiation with White House stakeholders.