



THE CALIFORNIA INSTITUTE FOR FEDERAL POLICY RESEARCH

1608 Rhode Island Avenue, NW, Suite 213, Washington, D.C. 20036
202-974-6384 fax:202-223-2330 e-mail: randsell@calinst.org web: <http://www.calinst.org>

California Capitol Hill Bulletin

Volume 15, Bulletin 26 – September 26, 2008

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.

APPROPRIATIONS: HOUSE PASSES CR, EXTENDING FEDERAL FUNDING THROUGH MARCH 6, 2009

By a vote of 370-58, the House on September 24, 2008 passed H.R. 2638, funding most government agencies at fiscal year 2008 levels through March 6, 2009. The measure, however, does include new and higher FY09 funding levels for military construction and the Departments of Defense, Homeland Security and Veterans Affairs.

In order to garner votes for the bill and avoid a veto, it does not include a continuation of the moratorium on exploration for offshore oil; the moratorium will expire at the end of this month. Opponents of offshore drilling expect that the next Administration and Congress will deal with the issue.

Because the House changed language the Senate had added to the bill, it now has to go back to that body for final action. The Senate is expected to move on it before the end of this week.

APPROPRIATIONS: ELEMENTS OF THE 2009 CR

Homeland Security appropriations are increased to about \$40 billion in overall discretionary spending – 6 percent above FY08 levels and the Administration’s request. (H.R. 2638 also includes \$1.2 billion in mandatory funding.) Included is \$4.2 billion for state and local grants, including those for first responders and port and transit security, an amount almost double that in the President’s budget proposal. The amounts include \$950 million for state first responder grants and \$837.5 million for Urban Area Security Initiative (UASI) grants aimed at high-risk urban communities. The Administration had proposed paring back these programs by \$777 million.

Other grant amounts include:

- \$35 million for Regional Catastrophic Preparedness Grants.
- \$41 million for the Metropolitan Medical Response System.
- \$15 million for the Citizen Corps Program.
- \$400 million for Public Transportation Security Assistance and Railroad Security Assistance, of which not less than \$25,000,000 is to be for Amtrak security. The bill provides that is to be no cost share requirement for

CONTENTS:

Appropriations: House Passes CR, Extending Federal Funding Through March 6, 2009.....	1
Appropriations: Elements of the 2009 CR.....	1
Appropriations: Homeland Security Earmarks in the FY 2009 CR.	3
Appropriations: Defense-Related Earmarked Items in the FY 2009 CR.	3
Appropriations: MilCon-VA Earmarked Items in the FY 2009 CR.	5
Immigration: Pew Report Reviews Immigrants’ Perception of Life In U.S.....	6
Briefing: Breakfast Session Focuses on California Travel and Tourism.	6
Transportation: US DOT Selects Otay Mesa For Project To Boost Border-Crossing Capacity.	7
Health Care: CHCF Questions Whether California Is Prepared for Its Population to Age.	7
Environment: EPA Upgrades Part of San Joaquin Valley Air Quality Designation By Dividing One Region into Two.	8
SCHIP: Report Considers Effects of Proposed Rule Shifts.	8
Report: PPIC Statewide Survey Tracks Voter Allegiances, Attitudes.	9
Report: California Voters Volatile, Discontent, and Divided.	10
Population: Census Finds One in Five Californians Speak Spanish at Home.	10

**ADVISORY BOARD SUPPORTERS
OF THE
CALIFORNIA INSTITUTE**

The California Institute wishes to express its heartfelt thanks to the following donors for their generous support, without which none of our work would be possible.

BENEFACTORS

Public Policy Institute of California
The California State University
Sempra Energy
Southern California Edison
PG&E Corporation

PATRONS

AT&T
The Boeing Company
General Atomics
Safeway Inc.
University of California
Verizon Foundation

Hewlett-Packard

SPONSORS

Applied Materials
California Business Roundtable
California Chamber of Commerce
California Federation of Teachers
California Institute of Technology
Center for California Studies, CSUS
Century Housing
Chevron
League of California Cities
Lockheed Martin
Pacific Life
Rockwell Collins
SAIC
University of Southern California
Wine Institute

CONTRIBUTORS

Association of California Water Agencies
California Bankers Association
California School Boards Association
California State Association of Counties
City of Los Angeles
International Brotherhood of Teamsters
RAND

Bay Area Economic Forum
California Association of Realtors
California Farm Bureau Federation
California Space Authority
Fleishman-Hillard Government Relations
Metropolitan Water District of So. Calif.
Platinum Advisors
Trimble Navigation
Wyle Laboratories
Xilinx

California Institute for Federal Policy Research
1608 Rhode Island Ave, NW, Suite 213
Washington, DC 20036 www.calinst.org

the funds, and that public transportation security assistance shall be provided directly to public transportation agencies.

- \$400 million for Port Security Grants.
- \$12 million for Over-the-Road Bus Security Assistance.
- \$8 million for Trucking Industry Security Grants.
- \$50 million for Buffer Zone Protection Program Grants.
- \$8 million for the Commercial Equipment Direct Assistance Program.
- \$50 million for the Interoperable Emergency Communications Grants.
- \$35 million for grants for Emergency Operations Centers (see breakout of California earmarks below).

For the Firefighter Assistance Grants under the Assistance to Firefighters Grant Program, the CR provides \$775 million. Also included are \$315 million for emergency management performance grants or EMPGs.

Customs and Border Protection funding is increased about four percent to \$9.8 billion. That includes funding for an additional 4,361 new hires, and \$775 million for border security fencing and technology. An additional \$404 million is included for cargo container security.

Immigration and Customs Enforcement funding is set at \$5 billion – about 5 percent over FY08 and the President’s request. Included is new money to add 1,400 more detention beds. The bill also provides \$1 billion to the bureau to identify and deport undocumented criminal aliens. State and local immigration enforcement programs are funded at \$99.7 million, \$2.2 million more than requested. The 287(g) program is funded at \$54 million, \$14 million above 2008 and equal to the President’s request -- the program expands coordination between ICE and local law enforcement and helps ICE to identify deportable criminal aliens.

REAL ID is funded at \$100 million, \$50 million above 2008, to help states comply with the program, which requires state drivers licenses to meet new standards in order to be used for federal identification purposes. It also includes \$50 million for DHS to develop a data “hub” that links state DMVs to other record-keeping agencies to allow State governments to verify applicants' identity documents when they apply for new drivers licenses.

Funding for the US-VISIT program to screen foreigners entering and exiting the United States was cut to \$300 million, 23 percent less than the Administration’s request. Many members of Congress have criticized the Department for problems and delays in implementing the program. The bill includes mandatory reporting requirements for the program. DHS is also required to complete two pilot programs before proceeding with its biometric US-VISIT Air Exit Program.

The “Disaster Relief and Recovery Supplemental Appropriations Act of 2008” section of the CR includes \$135 million for “Wildland Fire Management,” including \$110 million for urgent wildland fire suppression activities and \$25 million is for burned area rehabilitation. A separate portion of the bill that is not under the offset-free disaster heading provides an additional amount for Wildland Fire Management -- \$775 million -- of which \$500 million is to be available for emergency wildfire suppression and related activities, \$175 million is to be for hazardous fuels reduction and hazard mitigation activities in areas at high risk of catastrophic wildfire due to population density and fuel loads, \$75 million is to be for rehabilitation and restoration of Federal lands, and \$25 million is to be for preparedness for retention initiatives in areas at high risk of catastrophic wildfire that face recurrent staffing shortages.

The CR also includes an additional \$2.5 billion over the FY08 level for Pell Grants, in order to prevent cuts to student aid midway through the year.

For more details on the funding, go to: <http://appropriations.house.gov> .

APPROPRIATIONS: HOMELAND SECURITY EARMARKS IN THE FY 2009 CR

Included in the Homeland Security Appropriations portion of the FY 2009 Continuing Resolution (H.R. 2638) are several items that are directed toward California.

These include funding for Customs and Border Protection (CBP) stations in Calexico (\$34 million), Indio (\$18 million), Blythe (\$28.9 million), and Boulevard (\$31 million). It includes \$18 million for a sector headquarters vehicle maintenance facility in California (no location specified), as well as \$2.1 million for a CBP maintenance and administration hangar in El Centro.

Under FEMA, the measure provides funds for emergency operations centers for the Cities of Bell Gardens (\$175,000), Cudahy (\$50,000), Rialto (\$225,000), Rio Vista (\$150,000), and Half Moon Bay (\$750,000), the San Francisco Police Department (\$1 million), the San Diego Unified School District (\$400,000), and the Sacramento-Sierra Chapter of the American Red Cross (\$35,000).

It provides funds for FEMA Predisaster mitigation efforts for the Cities of Chula Vista (\$400,000), Los Angeles (\$500,000), Merced (\$500,000), Mission Viejo (\$850,000), and San Diego (\$1 million), as well as separately for the County of Los Angeles (\$600,000).

From the Homeland Security Science & Technology Directorate's Research, Development, Acquisition and Operations account, the bill specifies \$2 million for the Naval Postgraduate School in Monterey.

APPROPRIATIONS: DEFENSE-RELATED EARMARKED ITEMS IN THE FY 2009 CR

Included in the Department of Defense Appropriations portion of the FY 2009 Continuing Resolution (H.R. 2638) are several items that are directed toward California. Although the Defense Appropriations portion of the bill includes a wide variety of earmarks, they generally are not explicitly allocated geographically. Thus, we are not attempting to provide a full tally of such earmarks.

Nevertheless, the bill includes several items that are or are likely to be connected to California. Among them are \$1.75 million for the Presidio Heritage Trust, \$1.6 million for a Southwest Border Fence, \$200,000 for security towers for the California Air National Guard's 129th Rescue Wing in the South Bay, \$2.8 million for the Homeland Defense Operational Planning System (HOPS) at Lawrence Livermore National Laboratory, \$1.6 million for Critical Language Training by San Diego State University, \$800,000 for an East Asian Security Studies Program, \$9.3 million for Hunters Point Naval Shipyard Remediation in the Bay Area, \$2.4 million for infrastructure improvements at McClellan Air Force Base in Sacramento, \$2.8 million for a Middle East Regional Security Program at U.C. San Diego, \$4.8 million for New and Existing Infrastructure Improvements at Norton Air Force Base, \$6.4 million for Restoration of Centerville Beach Naval Facility in Ferndale, \$1 million for the Military Intelligence Service Historic Learning Center in San Francisco, \$1.6 million for Translation and Interpretation Skills for DoD, \$1.6 million for ANG-Combat Communications on the Move for the 147th Combat Communication Squadron in San Diego, \$800,000 to enhance high performance computing capability, \$1.6 million for San Diego-based Cubic Corporation's Communications Data Link System for Capital Ships, \$2 million for Santa Clara-Based NetworkFab's Advanced IED Jammer Research and Development program, \$2.3 million for Boeing's Precision Container Aerial Delivery System (PCADS) for Aerial Firefighting, \$1.6 million for San Diego-based TREX Enterprise's Brownout Situational Awareness Sensor, \$1.6 million for a Complete Molten Carbonate Fuel Cell Demonstrator associated with Parks Reserve Forces Training Area (PRFTA) in Dublin, \$400,000 for a Demonstration/Evaluation project at Travis Air Force Base to develop a greenhouse gas inventory and footprint utilizing a web-based Environmental Management Information System (EMIS), \$1.75 million for Disposable Unit Dose Drug Pumps for Anesthesia and Antibiotics from Bioquidity Inc. in San Francisco, \$3.2 million for Fire Shield developed by Chang Industry of La Verne, \$800,000 for the Wavelength Agile Spectral Harmonic Oxygen Sensor and the Cell Level Battery Controller developed by Advanced Projects Research Inc. of La Verne, \$800,000 to procure 888 MBU 20/P Oxygen Masks with Mask Lights manufactured by Gentex Corporation in Rancho Cucamonga, \$2 million for

Advanced Molecular Medicine Initiative (AMMI) by City of Hope in Duarte, \$800,000 for a Fuel Cell Power System from Jadoo Power in Folsom for use by the U.S. Special Operations Command Mission (USSOCOM), \$2.4 million for Ground Combat Systems Electronic Enhancements from Curtiss-Wright Controls Embedded Computing in Santa Clarita, \$2.4 million for the Infectious and Inflammatory Disease Center at the Burnham Institute for Medical Research in La Jolla, \$4 million for a Military Burn Trauma Research Program at UC Davis, \$4 million for the RAND Arroyo Center, \$11.2 million for Northrop Grumman's B-2 Advanced Tactical Data Link, \$3 million for RAND's Project Air Force, \$3.2 million to Advanced Projects Research Inc. (APRI) for an Inter Turbine Burner for Turbo Shaft Engines, \$800,000 to San Diego-based Allermed for its Leishmania skin test, \$1.6 million for Micro Seeker System for Small Steerable Projectiles by Tanner Research of Monrovia, \$2.4 million for Life Support for Trauma and Transport (LSTAT) Advanced Medical Technologies activities in Signal Hill, \$2.4 million for Manufacturing Technology Development of Advanced Solid State Lasers at various locations including Livermore, \$2.4 million to Microassembly Technologies in San Pablo for Micromachined Switches in Support of Transformational Communications Architecture, \$2.8 million for a Military Photomedicine Program at UC Irvine, \$1.75 million to Inter-4 in San Francisco for Operator Situational Awareness Systems for MEDEVAC, \$800,000 for the Rotary Valve Pressure Swing Absorption Oxygen Generator from SeQual Technologies in San Diego, \$800,000 for Tactical RPG Airbag Protection System (TRAPS) Enhancements developed in part by Hollister-based Pacific Scientific Energetic Materials Company, \$1.6 million to Santa Clara University for its Thermal and Electrical Nanoscale Transport (TENT) program, \$3.2 million to Torrance-based Physical Optics Corporation for Wireless Electronic Patient Records, \$1.2 million to Torrance-based Nextgen Aeronautics for the Big Antennas Small Structures Efficient Tactical (BASSET) UAV program, \$1.2 million to Panvision Federal Systems for the Compound Zoom for Airborne Reconnaissance (CZAR), \$2.8 million to Space Propulsion Group in Sunnyvale for the development and testing of Advanced Paraffin-Based Hybrid Rockets for Space Applications, \$1.4 million for the Hydrocarbon Boost Technology Demonstrator run by the Air Force Research Laboratory at Edwards Air Force Base, \$800,000 for Hybrid Sounding Rocket Propulsion developed by Spacedev Inc. in Poway, \$2 million for the Integrated Propulsion Analysis Tool (IPAT), \$2.4 million to Microassembly Technologies in San Pablo for Micromachined Switches for Next Generation Modular Satellites, \$1.75 million to San Francisco-based SA Photonics for Satellite Coherent Optical Receiver (SCORE), \$2.4 million for 3-D Electronics and Power work by the Center for Nanoscale Science and Engineering at University of California Riverside, \$2 million to Achaogen in South San Francisco for Acinetobacter Baumannii Research, \$1.6 million to Agile Materials & Technologies in Goleta for Agile JTRS Integrated Circuits, \$2.5 million to Aeros Aeronautical Systems Corporation of Montebello for the Buoyancy Assisted Lift Air Vehicle, \$1.6 million for Carbon Nanotube Thin Film Devices for Portable Power, \$10 million for the Center for Innovative Geospatial Technology at the University of Redlands, \$1.2 million for the Center for Nonproliferation Studies at the Monterey Institute for International Affairs, \$400,000 for the East County Economic Development Council in the San Diego area for Connectivity Expansion for Rapid Identification of Technology Sources, \$2 million for distributed network switching from Raptor Networks Technology in Santa Ana, \$2.4 million for Facility Security Using Tactical Surveys likely from Tactical Survey Group in San Bernardino, \$2 million for Feature Size Migration at DMEA AMRS Boundary possibly from Peregrine Semiconductor Corporation, \$1.6 million to the Naval Postgraduate School in Monterey for a Field Experimentation Program for Special Operations, \$1.6 million for a Full Scale Impact and Blast Loading Laboratory Testing Program at U.C. San Diego, \$5 million in part for a High Speed, High Volume Laboratory Network for Infectious Disease partly at UCLA, \$2 million for Inland Empire Perchlorate Wellhead Treatment, \$4 million to San Francisco-based Prosetta Corporation for the Novel Viral Biowarfare Agent Identification and Treatment (NOVBAIT) program, \$2 million for the Advanced Molecular Medicine Initiative at City of Hope National Medical Center in Duarte, \$800,000 for Advanced Repair Technology for the Expeditionary Navy at Port Hueneme, \$11.2 million for Affordable Weapons Systems via MBDA in Westlake Village, \$6 million for Agile Port and High Speed Ship Technology at CSU Long Beach, \$2.5 million for the Center for Commercialization of Advanced Technology in Los Angeles and/or San Diego State University, \$400,000 for IR LED Free Space Optics Communications Advancement by Torrey Pines Logic in La Jolla, \$1.2 million for a Next Generation Electronic Warfare Simulator, \$1.6 million for a Point Mugu Electronic Warfare Laboratory Upgrade, \$2.4 million to San Diego-based Surface Optics Corporation for

a Real-Time Hyperspectral Targeting Sensor, \$2 million to Sonoma EO for Stabilized Laser Designation Capability, \$800,000 to San Diego-based SYS Technologies for the System for Intelligent Task Assignment and Readiness (SITAR), \$1.6 million to San Diego-based Information Systems Laboratories Inc for Tactical E-Field Buoy Development, \$2.8 million for U.S. Navy Metrology and Calibration (METCAL) operations at the Naval Surface Warfare Center Corona, and \$4 Million for the ALON and Spinel Optical Ceramics Program in Murrieta and other states.

APPROPRIATIONS: MILCON-VA EARMARKED ITEMS IN THE FY 2009 CR

Included in the Military Construction and Veterans Affairs Appropriations portion of the FY 2009 Continuing Resolution (H.R. 2638) are several items that are directed toward California. The total dollar value of these earmarks amounts to nearly \$1.4 billion.

Branch	Project	Amount
Army	Fort Irwin Barracks Complex	17,500,000
Army	Fort Irwin Military Operations Urban Terrain, (Phase 3)	22,100,000
Army	Presidio of Monterey General Instruction Building	15,000,000
Army	Sierra Army Depot Water Treatment Plant	12,400,000
Army Reserve	Fort Hunter Liggett Modified Record Fire Range	3,950,000
Navy	Barstow Bachelor Enlisted Quarters	7,830,000
Navy	Camp Pendleton Bachelor Enlisted Quarters-41 Area	32,430,000
Navy	Camp Pendleton Bachelor Enlisted Quarters-33 Area	30,300,000
Navy	Camp Pendleton Bachelor Enlisted Quarters-43 Area	15,150,000
Navy	Camp Pendleton Bachelor Enlisted Quarters-62 Area	25,920,000
Navy	Camp Pendleton Bachelor Enlisted Quarters-Area 13	33,320,000
Navy	Camp Pendleton Bachelor Enlisted Quarters-Area 14	32,350,000
Navy	Camp Pendleton Bachelor Enlisted Quarters-Chappo (22 Area)	48,640,000
Navy	Camp Pendleton Bachelor Enlisted Quarters-Del Mar (21 Area)	33,190,000
Navy	Camp Pendleton Bachelor Enlisted Quarters-Del Mar (21 Area)	33,440,000
Navy	Camp Pendleton Bachelor Enlisted Quarters-Horno (13 Area)	33,790,000
Navy	Camp Pendleton Bachelor Enlisted Quarters-Horno (53 Area)	40,660,000
Navy	Camp Pendleton Bachelor Enlisted Quarters-Las Pulgas Area	34,340,000
Navy	Camp Pendleton Bachelor Enlisted Quarters-Pico (24 Area)	32,870,000
Navy	Camp Pendleton Bachelor Enlisted Quarters-Pico (24 Area)	32,260,000
Navy	Camp Pendleton Bachelor Enlisted Quarters-San Mateo Area	34,500,000
Navy	Camp Pendleton Bachelor Enlisted Quarters-Del Mar (21 Area)	34,120,000
Navy	Camp Pendleton Bachelor Enlisted Quarters-San Mateo Area	32,550,000
Navy	Camp Pendleton Bachelor Enlisted Quarters-Margarita (33 Area)	31,170,000
Navy	Camp Pendleton BELL-Armory, Training Facility, SOI (52 Area)	54,730,000
Navy	Camp Pendleton Consolid. Comm/Elec Maintenance & Storage	10,050,000
Navy	Camp Pendleton Corrosion Control Water Treatment Facility	52,520,000
Navy	Camp Pendleton Indoor Fitness Center	12,230,000
Navy	Camp Pendleton Infantry Training Center	11,500,000
Navy	Camp Pendleton Operations Access Points, Red Beach	11,970,000
Navy	Camp Pendleton Regimental Maintenance Complex (Phase 3)	33,620,000
Navy	Camp Pendleton Special Operations Training Battle Course	22,250,000
Navy	El Centro Combined Child Care and Youth Center	8,900,000
Navy	Miramar Combat Training Tank Complex	10,820,000

Navy	Miramar Emergency Response Station	6,530,000
Navy	Miramar In-Line Fueling Station Modification	22,930,000
Navy	Miramar Military Working Dog Operations Center	4,800,000
Navy	Miramar MV-22 Wash Rack	3,690,000
Navy	North Island Berthing Lima Conversion	38,992,000
Navy	North Island Child Development Center	14,270,000
Navy	San Clemente Island Bachelor Enlisted Quarters	34,020,000
Navy	San Diego Recruit Reconditioning Facility	16,790,000
Navy	San Diego Recruit Support Barracks	34,430,000
Navy	Twentynine Palms Bachelor Enlisted Quarters	36,470,000
Navy	Twentynine Palms Bachelor Enlisted Quarters	36,280,000
Navy	Twentynine Palms BEQ and Parking Structure	51,800,000
Navy	Twentynine Palms Combined Arms MOUI (Phase 2)	21,000,000
Navy	Lemoore Marine Corps Reserve Center	15,420,000
Air Force	Edwards AFB F-35 Ramp & Security Upgrade	3,100,000
Defense-Wide	Coronado SOF Combat Crew Training Facility	9,800,000
Defense-Wide	Tracy Depot Replace General Purpose Warehouse	41,000,000
Defense-Wide	Tracy Depot Replace Truck Entrance/Control Facility	9,300,000
Navy	Monterey Education Facility	9,990,000
Air Force	Edwards AFB Main Base Runway (Phase 4)	6,000,000
Navy	North Island Training Pool Replacement	6,890,000
Navy	Twentynine Palms Lifelong Learning Center (Phase 1)	9,760,000
Air Force	Travis AFB Large Crash Rescue Station	12,100,000
Navy	San Diego MCRD Recruit Barracks	43,200,000
Total		1,386,932,000

IMMIGRATION: PEW REPORT REVIEWS IMMIGRANTS' PERCEPTION OF LIFE IN U.S.

The Pew Hispanic Center released a survey on September 18, 2008 that shows immigrants in the United States feel their situation is "deteriorating." The report, *2008 National Survey of Latinos: Hispanics See Their Situation in U.S. Deteriorating; Oppose Key Immigration Enforcement Measures*, surveyed 2,015 Hispanic adults. Half of them believe the situation for Latinos in the United States is worse than it was a year ago. Among native born Hispanics, 30 percent say it is worse, while 49 percent say it is the same as a year ago. Among foreign born Latinos, however, 63 percent say it is worse than a year ago, with only 25 percent saying it is the same and 10 percent saying it is better.

The survey also found that almost one-in-ten Hispanic adults report that within the last year they have been stopped and asked them about their immigration status by the police or other authorities. They also say they are experiencing other difficulties because of their ethnicity. Fifteen percent say that they have had trouble finding or keeping a job in the last year because they are Latino, and ten percent report the same about finding or keeping housing.

To obtain the complete survey, which also explored attitudes toward immigration enforcement and the presidential campaign, go to: <http://www.pewhispanic.org>.

BRIEFING: BREAKFAST SESSION FOCUSES ON CALIFORNIA TRAVEL AND TOURISM

On Wednesday September 24, 2008, the California Institute hosted a breakfast briefing to discuss travel and tourism. Entitled "Maintaining National Dominance and Economic Growth," the briefing featured presentation by experts from California's tourism industry and from State officials concerned about retaining the state's prominent position as a primary travel destination.

Members of the California Travel & Tourism Commission were in Washington this week to focus on legislative issues including the Travel Promotion Act, visa reform, and transportation reauthorization. Opening the briefing and welcoming participants was Linda Ulrich, Director of the Washington Office of Governor Arnold Schwarzenegger. Beginning the briefing was Caroline Beteta, President & CEO of the California Travel & Tourism Commission, National Chair of the Travel Industry Association, and Deputy Secretary for Tourism with the state's Business, Transportation and Housing Agency. Ms. Beteta discussed the status of the Travel Promotion Act (S. 1661 and H.R. 3232). The bill had been expected to be approved on the day of the briefing, but complications arose, she noted.

Andrew Firestone, an executive with Curtis Winery and television personality (from "The Bachelor") provided a small business perspective on travel promotion. Concluding the briefing presentations, Bob Roberts, Chief Executive Officer of the California Ski Industry Association discussed visa reform issues.

California is the nation's largest travel destination in the country with travel and tourism serving as the fourth largest employer in the state. Travelers to California in 2007 contributed \$96.7 billion to the state's economy, representing the fifth straight year of positive growth. This growth directly supports 925,000 jobs and generates \$5.8 billion in local and state tax revenue. Tourism jobs cannot be exported overseas, and travel and tourism remains essential to both the California and national economies.

TRANSPORTATION: US DOT SELECTS OTAY MESA FOR PROJECT TO BOOST BORDER-CROSSING CAPACITY

The U.S. Department of Transportation announced that one of nation's three approved projects under the new Border Congestion Relief Program would be located south of San Diego. The Otay Mesa East Port of Entry project will create a new port of entry and a 2.7-mile, four-lane highway that links to the existing California highway system to provide more capacity for traffic through the region. A request for funding for the project had been proposed by Caltrans.

In a July 2008 letter to the Federal Highway Administration, urging approval of the Otay Mesa East project, Rep. Bob Filner (San Diego) said, "The State of California has been wrestling with the negative impacts of border congestion for many years." He cited a recent statistics showing that delays for both personal travel and freight movement across the California/Mexico border cost California's economy \$8.63 billion in lost output and nearly 74,000 jobs in 2007 alone. Rep. Filner, whose district encompasses the entire California/Mexico border region, added, "I know first-hand that border congestion has also negatively impacted families who must cross the border regularly for work or school and the health of my constituents who breath in the pollution caused by idle trucks and cars at the border. ... Most of the freight crossing the border is destined for places far beyond the region, making this a national problem that requires federal funding to solve."

When Governor Arnold Schwarzenegger participated in a border governors conference in August, one of the primary recommendations was reducing border wait times substantially by the year 2013, and completing Binational State-to-State Regional Border Master Plans within three years.

Along with Otay Mesa, DOT selected two other projects: the Laredo, Texas East Loop Bypass Project and the Blaine, Washington Cascade Gateway Expanded Cross-border Advanced Traveler Information System project.

A DOT notice is available at <http://www.dot.gov/affairs/fhwa2108.htm> .

HEALTH CARE: CHCF QUESTIONS WHETHER CALIFORNIA IS PREPARED FOR ITS POPULATION TO AGE

California, like the rest of the nation, is anticipating unprecedented growth in its population age 65 and above as the Baby Boom generation ages and life expectancy continues to increase. This will have a significant impact on the state's acute care hospitals, since older patients use inpatient hospital care at a much higher rate than younger people. A September 2008 report from the California HealthCare Foundation (CHCF), "*Beds for Boomers: Will Hospitals Have Enough?*", examines the potential impact of these demographic shifts.

As California hospitals plan upgrades to meet earthquake safety requirements, they will need to consider the impact that the growth of the older population in their region will have on the need for acute care beds.

Efficiency of hospital care will be a crucial factor in meeting demand without unnecessarily increasing supply. Key findings of the report include:

- * California's 65+ population is projected to more than double from 2000 to 2030, growing to 8.8 million.
- * Due to seniors' high rate of hospitalization, use of acute care hospital days is projected to increase by 76 percent from 2000 to 2030. By 2030, the 65+ group is projected to use more than half of the state's acute care days, despite representing only 18 percent of the population.
- * California's regions differ widely in senior population growth, use of acute care days, and licensed bed capacity. By 2030, the current (2006) licensed bed supply is projected to satisfy bed needs in only three of the regions studied — the Greater Bay Area, Los Angeles, and Orange County.
- * Unless efficiency or capacity is increased, there may not be sufficient beds in the Sacramento Area, San Joaquin Valley, and Inland Empire by 2020.

The report is available from the CHCF website at <http://www.chcf.org/topics/view.cfm?itemid=133749>.

ENVIRONMENT: EPA UPGRADES PART OF SAN JOAQUIN VALLEY AIR QUALITY DESIGNATION BY DIVIDING ONE REGION INTO TWO

In a move with implications for federal transportation formula allocations as well as for human health, the U.S. Environmental Protection Agency (EPA) on Thursday, September 25, 2008, announced that the San Joaquin Valley has now achieved its official standard for controlling emissions of coarse particulate matter (PM-10). In a press release, EPA said it has redesignated the San Joaquin Valley air basin from nonattainment to attainment status for the national ambient air quality standard (NAAQS) for PM-10.

The ruling is good news for part of the region, but not so much for another part. In a simultaneous ruling, EPA also approved the region's proposed PM-10 maintenance plan, a key component of which is the division of a single existing area into two separate areas. The former San Joaquin Valley nonattainment area -- all of which was in noncompliance with the air quality standard -- was divided into two separate PM-10 nonattainment areas. The northern and western half of the area has been deemed the San Joaquin Valley air basin PM-10 area, and the southern and eastern portion of the area is now called the East Kern PM-10 area. The East Kern area continues to be a nonattainment area, meaning its air quality is still unhealthful.

While a seemingly odd move, there is logic to the shift. The new, divided areas for PM-10 will now conform to the same geographic boundaries as are used for determining fine particulate matter (PM-2.5) and ozone -- at least so far as the San Joaquin Valley area is concerned.

According to EPA, East Kern will continue to be a PM-10 nonattainment area, but it is approving a commitment from the state to install a PM-10 monitor in East Kern that will address Clean Air Act requirements for the area.

"The EPA remains committed to the emission controls, enforcement and monitoring requirements currently in place in the San Joaquin Valley," said Deborah Jordan, Air Division director for the U.S. EPA's Pacific Southwest region. "In addition to the current controls, many additional reductions will be needed to attain the more protective PM 2.5 standard and the ozone standard." The maintenance plan retains all PM-10 controls and monitoring for the SJV air basin, provides a demonstration that the area will continue to attain until 2020, and provides for contingency measures if the area does not continue to attain.

Particulate matter (PM) pollution includes of extremely small particles and liquid droplets that is made up of a number of components, including acids, organic chemicals, metals, and soil or dust particles. Particles smaller than 10 micrometers in diameter (thus "PM-10") or smaller generally pass through the throat and nose and enter the lungs, causing heart, lung and other health problems. Also, federal formula grant funding to areas for the federal Congestion Mitigation & Air Quality (CMAQ) program is based in part on air quality designations.

Areas of the country where air pollution levels persistently exceed the NAAQS may be designated "nonattainment." EPA's list of such areas are on the web at <http://www.epa.gov/air/oaqps/greenbk/>.

SCHIP: REPORT CONSIDERS EFFECTS OF PROPOSED RULE SHIFTS

A report by the California Health Care Foundation (CHCF) examines the potential effects of stricter eligibility rules on the State Children's Health Insurance Program (SCHIP), a major source of funding for low-

income children's health coverage in California. In 2007, after unsuccessfully attempting to reauthorize and expand the program, Congress and the President agreed to extend SCHIP at its previous funding level until March 2009.

In “*SCHIP at the Crossroads: California's Options in Responding to New Federal Funding Conditions*” (August 2008), CHCF analyzes the new requirements for federal SCHIP funding that were originally scheduled to take effect on August 18, 2008. With the federal government now holding off on enforcing its directive and California declaring that it will not comply, the issue of whether states will be allowed to preserve their existing programs remains unresolved. “Should the directive take effect,” the report states, “California faces challenges in attempting to claim federal dollars and will need to resolve important legal questions.”

The state receives approximately 16 percent of federal SCHIP funding and uses it to cover 1 million children through Healthy Families and other SCHIP-funded programs.

The report is available from CHCF at <http://www.chcf.org/topics/view.cfm?itemid=133367>.

REPORT: PPIC STATEWIDE SURVEY TRACKS VOTER ALLEGIANCES, ATTITUDES

On Wednesday, September 24, 2008, the Public Policy Institute of California (PPIC) released its latest PPIC Statewide Survey: Californians and their Government. The poll found California's likely voters prefer the Democratic ticket of Barack Obama and Joseph Biden to Republican contenders John McCain and Sarah Palin by a 10 point margin, but noted that voters will closely watch candidates' debate performances before marking their ballots. Eight in 10 say the debates will be very important (38%) or somewhat important (41%) in deciding who gets their votes. As the campaign enters its final weeks, a majority of California's likely voters (65%) say they are more enthusiastic than usual about voting. They are happier with their choices than they were a month ago (64% today, 48% in August), with Republicans registering the sharpest increase in satisfaction (67% today, 35% in August). Democrats' satisfaction is also higher (74% today, 68% in August).

With Wall Street in turmoil, likely voters across political and demographic groups most frequently name the economy as the issue they most want to hear the candidates debate. Four in 10 (40%) mentioned the economy, followed by the war in Iraq (12%), immigration (7%), and health care (6%). When asked which candidate would do a better job handling key issues, likely voters prefer Obama to McCain on the economy (53% to 37%), health care (57% to 29%), and energy policy (51% to 38%). They prefer McCain to Obama on foreign policy (51% to 43%), and they are more narrowly divided on who would better handle the war in Iraq (49% Obama, 44% McCain) and immigration (42% Obama, 40% McCain).

A record-high 44 percent of adults say that jobs and the economy are the top issues facing the state. This is true across all party and demographic groups, although Democrats (47%) and independents (44%) are more likely than Republicans (36%) to hold this view. Nearly seven in 10 Californians (68%) expect bad times financially in the year ahead. About half say the current housing situation in California will hurt their finances a great deal (31%) or somewhat (21%). The perception that the state is going in the wrong direction is widely held (68%). While this negative view has changed little since last month, it has grown by 18 points in the last year.

PPIC said that Californians are pessimistic about their elected leaders' ability to handle the challenges. The survey found that one in five Californians (21%) approve of the job the State Legislature is doing, a decline of 5 points since August, and constituents give their own legislators unusually low marks. Only one in three residents (34%) approve of the job their own state senator and assembly member are doing, an 8-point drop since March and a 7-point drop from a year ago. Governor Arnold Schwarzenegger's 38 percent approval rating has held steady from last month but is still 12 points lower than a year ago. President Bush's approval among Californians is 23 percent.

Overall, Congress' job approval rating was 29 percent, about the same as last month but 4 points lower than in March. However, individual Congressional representatives rated higher: The state's residents give higher approval ratings to their own Congressional representative (49%) and to Senator Dianne Feinstein (48%), Senator Barbara Boxer (44%), and House Speaker Nancy Pelosi (40%).

For more information and cross-tabs, visit <http://www.ppic.org>.

REPORT: CALIFORNIA VOTERS VOLATILE, DISCONTENT, AND DIVIDED

On September 17, 2008, the Public Policy Institute of California (PPIC), with funding from the James Irvine Foundation, released a report indicating that California voters are distrustful of government, divided by partisanship, and poised to express their frustration at the ballot box. The report looks at state voters' growing political involvement and their simultaneous disaffection with party politics. It also examines sources of voter discontent, painting a picture of a volatile and divided electorate.

"In the five years since the president launched a war in Iraq and the governor lost his seat in a recall, California voters have changed," says Mark Baldassare, PPIC president and CEO. "They are fed up with government that they cannot trust and leaders who do not lead. But contrary to the conventional wisdom that disgruntled voters stay home on election day, Californians have been registering and voting in record numbers."

The report, entitled "*The State of California Voters*," says that despite their political involvement, voters are unhappy with party politics. It also notes several sources of voter dismay. Fewer than one in four voters believe that the nation is headed in the right direction, marking the lowest point since the PPIC survey began asking the question in 2003. Over the last five years, President George W. Bush's approval ratings have fallen steadily from one in two to one in four voters. Only 23 percent of Californians say that they trust the federal government to do what is right always or most of the time.

Voters are deeply concerned about the economy, Iraq, immigration, health care, and the way their state government is run. According to the survey, they express little faith that their government can rise above partisan differences to address these issues. At the same time, voters are as polarized as their representatives over how to handle the economy, immigration, and Iraq.

For more on the report's findings and conclusions, visit <http://www.ppic.org>.

POPULATION: CENSUS FINDS ONE IN FIVE CALIFORNIANS SPEAK SPANISH AT HOME

New data released by the Census Bureau on September 23, 2008 show that at least one in five people in California, as well as Arizona, New Mexico, and Texas speak Spanish in the home. Nationwide the number is 12.3 percent, about 35 million people. Additionally, about one-in-five California residents over age 5 spoke English less than "very well."

More than half of the residents over age 5 in the Los Angeles metro area (53.6 percent) spoke a language other than English at home. Miami is second among the 20 largest metro areas, with 49.1 percent of its population age 5 and over in this category.

Considering all foreign languages, about 19.7 percent of the population age 5 and over spoke a language other than English at home in 2007. An increase over the 17.9 percent second-language speakers in 2000 and 13.8 percent in 1990. English is the only language spoken in 80.3 percent of households, the data show.

The report also shows that California had the highest percent of foreign-born residents – 27.4 percent – with New York (21.8), New Jersey (19.9), Nevada (19.4) and Florida (18.9) ranked next. Of the 20 largest metropolitan statistical areas, Miami led Los Angeles with the highest percentage of foreign-born with 37 percent and 34.9 percent, respectively. St. Louis had the lowest at 4.0 percent.

Other data released by the Census Bureau show that the highest median home value among the 20 largest metro areas was in the San Francisco, with \$706,100. The Houston metro area had the lowest (\$135,800). Homeowners with mortgages in California also had the highest median monthly housing costs in the nation at \$2,314. New Jersey was second with \$2,278, and homeowners in West Virginia and Arkansas had the lowest (\$881 and \$920, respectively).

The figures were reported in the new American Community Survey data released by the Census Bureau. As part of its 2010 Census, the data collected will be used by federal officials to help determine where to distribute more than \$300 billion to state and local governments each year.

For more information, go to: <http://www.census.gov>.