



# THE CALIFORNIA INSTITUTE FOR FEDERAL POLICY RESEARCH

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## California Capitol Hill Bulletin

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*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.*

#### **CAPITOL HILL: WAXMAN WINS CHAIRMANSHIP OF ENERGY AND COMMERCE**

Rep. Henry Waxman won a hard-fought battle on Thursday, November 20, 2008, winning the House Democratic Caucus nod to become Chairman of the powerful Energy and Commerce Committee when the 111th Congress convenes in January 2009.

Rep. Waxman commented, "I am honored by the vote of the Democratic Caucus. We are at a unique moment and have an opportunity that comes only once in a generation. I will work with all parts of our Caucus and across the aisle to deliver the change that the American public expects us to deliver."

Regarding the man he defeated in the secret balloting, Waxman said, "I have worked with Chairman John Dingell for 34 years. He has been a true legislative champion. I will always admire and respect him and his many legislative accomplishments."

Rep. Waxman has served in Congress since first winning election in 1974, but even 34 years of seniority had not been enough to take the helm of Energy and Commerce. Rep. Dingell was first elected in the 1950s and had held on to the committee's top job with tenacity, in part to benefit the automakers located in his western Detroit district. Feeling that the challenges in energy policy, climate change, and healthcare were particularly great given the arrival of a new Administration and the state of the country and world, Rep. Waxman sought and eventually won a campaign to take over the Energy & Commerce Committee gavel.

With his selection for the new committee, Waxman will relinquish his old one -- he had been the 110th Congress' chair of the Oversight and Government Reform Committee, a job that is likely now to go to Rep. Edolphus Towns (NY), though his selection is not assured.

#### CONTENTS:

Capitol Hill: Waxman Wins Chairmanship of Energy and Commerce .....	1
Resources: Responding to Governor and Congressional Delegation, Bush Designates Fires as Federal Disasters .....	2
Capitol Hill: House Republicans Retain Boehner as Leader .....	3
Capitol Hill: Issa Appears Favorite for Ranking Post on Oversight Panel .....	3
Capitol Hill: Becerra Elected Democratic Caucus Vice Chair .....	3
Economy: Worried State Officials Mull Federal Assistance to Respond to State Fiscal Crisis That Looks Long-Term .....	4
Climate: Governors, Global Leaders Meet at California Climate Summit .....	4
Appropriations: Economic Stimulus Package Held Up In Senate .....	5
Climate: Climate Change Will Have Economic Costs, Report Finds .....	7
Climate: PPIC Surveys Climate Policy at the Local Level .....	8
Transportation: Voter Approval of Proposition Jump Starts High Speed Rail .....	8
Economy: California Rank Slips To 8th Among States in the New Economy .....	9
Climate: PPIC Reports on Preparing California for Climate Change .....	9
Agriculture: Citrus Pest Worrying Southern California Growers .....	9
Health: UCLA Report Identifies Challenges for California's Elderly and Policymakers .....	10
Agriculture: California Retains Title of Top Milk Production State .....	11
Immigration: Mexican Statistics Agency Reports Drop in Out-Migration .....	11

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**RESOURCES: RESPONDING TO GOVERNOR AND CONGRESSIONAL DELEGATION, BUSH DESIGNATES FIRES AS FEDERAL DISASTERS**

In response to three wildfires that ravaged California in the last week, Governor Arnold Schwarzenegger on Monday, November 17, 2008, called upon President Bush to expeditiously declare a major disaster for the state of California. Sens. Dianne Feinstein and Barbara Boxer and 39 members of the bipartisan California Congressional delegation sent Bush a letter also urging him to make the declaration. Fires in Southern California destroyed over 800 homes and burned more than 40,000 acres.

President George W. Bush responded on Tuesday, issuing a formal Federal Disaster Declaration for the affected counties, including Los Angeles, Orange, Riverside, San Bernardino, and Santa Barbara Counties.

The head of the Federal Emergency Management Agency (FEMA), David Paulison, said the California wildfires constitute a "major disaster" -- a designation that opens federal funding for the affected areas. He noted that the declaration as a federal disaster area offers enhanced resources and assistance, including grants for temporary housing and home repairs, low-cost loans to cover uninsured property losses and other programs to help individuals respond to and recover from losses sustained in the fires. Matching funds will also be made available to state and local governments for debris removal and "emergency protective measures."

Loans are to be available up to \$200,000 for primary residence, up to \$40,000 for personal property, including renter losses, and up to \$2 million for business property losses not fully compensated by insurance. Unemployment payments are to be available for up to 26 weeks for workers who temporarily lost jobs because of the disaster and who do not qualify for state benefits, such as the self-employed. Temporary housing for three months (one month for renters) or more is possible, as are grants for home repairs and replacement of essential household items not covered by insurance. For state and local governments, payment of up to 75 percent of the approved costs is possible for hazard mitigation projects that prevent or reduce long-term risk to life and property from natural or technological disasters.

Governor Schwarzenegger's letter to the President asked that the following programs, as well as any other appropriate federal disaster programs be made available to those counties: Individual Assistance (including the Individuals and Households Program, Disaster Unemployment Assistance, Crisis Counseling and Disaster Legal Services); Public Assistance (Categories A-G); and statewide Hazard Mitigation. Schwarzenegger also requested U.S. Small Business Administration disaster loans and funds from the U.S. Department of Agriculture Emergency Loan Program for the affected counties.

The bipartisan California Congressional delegation letter stated that "A Major Disaster Declaration under the Stafford Act will provide the essential federal resources needed not only to save the lives, homes, and livelihoods of Californians, but also to help people recover and rebuild when these fires are finally extinguished. These resources are urgently needed and will be immediately put to good use."

The Governor had already proclaimed a state of emergency for Los Angeles, Orange, Riverside, San Bernardino and Santa Barbara counties.

## **CAPITOL HILL: HOUSE REPUBLICANS RETAIN BOEHNER AS LEADER**

House Republicans reelected their Minority Leader, John Boehner (OH) on Wednesday, November 19, 2008, turning back a challenge by Rep. Dan Lungren (Gold River). After having lost at least 20 seats in the November 2008 elections, some party members felt it was time for new leadership, and Lungren had the support of many Californians, as well as frustrated conservatives from elsewhere in the caucus. Rep. Lungren had expressed the desire to open up a discussion of issues by his candidacy, but that he expected Boehner to retain the leader post.

While the party retained Boehner at the top slot, the turnover at the 2nd and 3rd ranks does signal some change for the party, with 110th Congress Whip Roy Blunt (MO) and 110th Congress Conference Chair Adam Putnam (FL) choosing not to stand for reelection to their former posts. On Wednesday, Rep. Eric Cantor (VA) was elected as Minority Whip and Mike Pence (IN) as Conference Chair. Both men are considered more conservative than their predecessors. Rep. Pete Sessions (TX) will chair the National Republican Congressional Campaign Committee. With the November election's reduction in ranks, more than half of the party's House Members are members of the conservative Republican Study Committee.

## **CAPITOL HILL: ISSA APPEARS FAVORITE FOR RANKING POST ON OVERSIGHT PANEL**

Press reports indicate that Rep. Darrell Issa (Vista) is poised to become the Ranking Republican Member on the House Committee on Government Reform and Oversight. He has garnered the support of all nine of the incumbent Republican members of the panel and has worked hard for the post.

A letter from the nine returning members states, "It is imperative we have a leader willing to hold President-Elect Obama to his word to root out and eliminate unnecessary but popular federal programs. Darrell Issa will also take on the Committee Democrats who use the Committee for their own political purposes and as an arm of the DCCC. Darrell will not shy away from a battle and his leadership is exactly what our Conference needs for the 111th Congress and beyond."

Issa was also endorsed by outgoing Chairman Tom Davis (VA), who is retiring. In a letter supporting Issa, Rep. Davis wrote, "No matter the issue, big or small, explosive or tame, Darrell was able to successfully partner with me and other members of the committee to best represent the views of our conference. I came to rely on Darrell Issa to be the face and voice of the committee Republicans by being the more aggressive interlocutor."

With its keen focus on ensuring that the White House and Administration operate transparently and appropriately, the Oversight Committee can serve as a soapbox to highlight executive branch missteps ... and that role is most often played by the Oversight leader whose party *opposes* that of the sitting President.

In the 110th Congress, it was Chairman Henry Waxman (Los Angeles) who served as a vocal thorn in the Administration's side. And Rep. Waxman had played that role -- albeit with fewer resources and without authority to call investigative hearings -- even when Democrats were in the minority during the 109th Congress. With a Democratic Administration inhabiting the White House during the 111th Congress, the Member with the greatest incentive to hold their feet to the fire will be likely be the Ranking Republican of the panel, and Rep. Issa has proven himself a tenacious fighter.

In a press report, Rep. Ken Calvert (Corona) -- who is a member of the steering committee that shepherds Committee slotting -- said of Issa, "He'd make an excellent chairman, or ranking member."

Rep. Issa's ascendancy required that he overcome a seniority disadvantage -- several other members of the panel would theoretically be in line ahead of him, measured purely in years of service.

A statement regarding his candidacy for the position is posted on his website, <http://issa.house.gov/>.

## **CAPITOL HILL: BECERRA ELECTED DEMOCRATIC CAUCUS VICE CHAIR**

Rep. Xavier Becerra (Los Angeles) has been elected Vice Chairman of the Democratic Caucus in the House of Representatives for the 111th Congress. In a vote on Thursday, November 20, 2008, Rep. Becerra won the race for Vice Chair, receiving 175 votes to 67 votes for Rep. Marcy Kaptur (OH).

After the vote, Becerra stated, "I am honored by the confidence my colleagues have placed in me to serve as Vice Chair of our talented and diverse Democratic Caucus. Leadership means service, and now is the time to deliver for those we serve." He added, "In a year that promises great challenges and opportunities for our nation I look forward to working with every member of the caucus to advance a unified progressive agenda and take our country in a new direction."

After an election that swelled the Democratic ranks by at least 20 seats, House Democrats voted to retain their top three party leaders: Nancy Pelosi (San Francisco) as Speaker of the House, Steny H. Hoyer (MD) as Majority Leader, and James E. Clyburn (SC) as Majority Whip. The fourth-ranking job, chair of the House Democratic Caucus, came open when President-elect Barack Obama tapped Rep. Rahm Emanuel (IL) to become White House Chief of Staff. With Emanuel's departure, Vice Chair John Larson (CT) moved up to take his place, opening the door for Rep. Becerra to replace him. Becerra had been next in line, having served as Assistant to the Speaker in the 110th Congress. At nearly that rank in the House party leadership is the Chairmanship of the House Democratic Steering Committee, which is held jointly by two Members of Congress; one of them is Rep. George Miller (Vallejo).

### **ECONOMY: WORRIED STATE OFFICIALS MULL FEDERAL ASSISTANCE TO RESPOND TO STATE FISCAL CRISIS THAT LOOKS LONG-TERM**

Analysts from the California State Legislative Analysts Office (LAO) released a report in November 2008 on California's fiscal outlook through 2014 highlighting the serious budget challenges facing the state. According to the report, the projected shortfall for the next year has reached over \$27 billion, and California lawmakers are facing a revenue collapse so dramatic and underlying economic factors so weak that annual shortfalls from 2010 through 2014 will fall in the range of \$22 billion. The LAO indicates that both spending cuts and revenue increases will have to be part of the solution to the shortfall.

But some California leaders, including California State Assembly Speaker Karen Bass, say that even a combination of cuts and revenue increases will not be enough to pull the state out of its financial crisis, and Bass has called on the federal government to help address the state's two-year \$27.8 billion budget shortfall with a "transfusion" of federal government funds. The suggestion that the state should turn to the federal government for a 'financial institution'-style bailout has been met with some opposition, particularly from Republican leaders, who argue that the state should take steps to address the budget shortfall before turning to the federal government for resources.

Senator Barbara Boxer wrote to Speaker Bass, Governor Schwarzenegger, and Senate President Pro Tem Don Perata regarding the possibility of sending a delegation to Washington to speak with members of Congress about a bailout package. Boxer wrote, "It is obvious to me that if we are to turn our economy around, and we must, then we must ease the burden on our states who are responsible for so many issues that impact jobs, our infrastructure, our schools and our health care system. I am hopeful that President Bush will relent and agree to a stimulus package that includes the items you have spoken about, such as Medicaid, infrastructure and other critical issues. If the President doesn't agree, then we will have to wait for President-elect Obama to take office. That means more and more time will be wasted."

To read the full LAO report, go to: <http://www.lao.ca.gov/> .

### **CLIMATE: GOVERNORS, GLOBAL LEADERS MEET AT CALIFORNIA CLIMATE SUMMIT**

On November 18-19, 2008, Governor Schwarzenegger hosted global leaders and U.S. Governors from across the nation in a two day Climate Summit aimed at concluding a Summit Declaration on climate solutions and discussing the outlook for future global agreements on climate solutions. Attendees included Governors from several U.S. states, Brazil, Mexico and Canada, representatives and policy makers from the provinces and central government of China, Chief Ministers from India, non-governmental organizations (NGO), academic and business leaders from around the world and leaders representing many other national and sub-national governments.

Summit attendees discussed opportunities for states and provinces to cooperate and collaborate for purposes of further developing strategies to combat global warming and to promote the sharing and transferring of climate technologies. Summit attendees also explored opportunities for regional partnerships for purposes of developing and implementing adaptation and mitigation strategies and discussed the upcoming international climate summit in Copenhagen, which will be the fifteenth in a long series of international climate conferences aimed at developing solutions to climate change.

Prior to the Summit, Gov. Schwarzenegger issued an Executive Order on November 14<sup>th</sup> initiating the state's climate adaptation strategy. The Order calls on state agencies to prepare for the effects of climate change, including rising sea levels, increasing temperatures, shifting precipitation and extreme weather.

Archived webcasts of the event can be found: <http://uctv.tv/climate/>.

## **APPROPRIATIONS: ECONOMIC STIMULUS PACKAGE HELD UP IN SENATE**

Senate leaders on Wednesday, November 19, 2008, backed off on consideration of a \$100.3 billion economic stimulus bill (S 3689) proposed by Majority Leader Harry Reid (NV) and Appropriations Chair Robert Byrd (WV), bowing to Republican opposition to the plan. Further action will now have to wait until the Senate reconvenes in January, Reid indicated, when an even more expansive plan may be proposed.

The House passed a \$60.8 billion stimulus bill on September 26th (H.R. 7110), by a vote of 264-158, but the Senate was not able to garner enough votes for the bill before recessing for the elections.

In addition to extending unemployment compensation benefits and providing \$25 billion to bailout the auto industry, other major funding proposals in the Senate bill include:

### **Border Security**

The bill includes more than \$1 billion for border security and other homeland security programs. The House-passed bill does not contain comparable provisions.

- Customs and Border Protection (CBP). The bill provides a total of \$303 million for enhanced border security, including \$215 million to expedite development and deployment of border security technology on the Southwest border, and \$88 million for procurement and deployment of tactical communications equipment and land mobile radios for the U.S. Border Patrol. The bill also provides \$100 million for construction at CBP-owned inspection facilities at land border ports of entry, and \$201 million for GSA for construction and repair/alteration of border stations (land ports of entry) to help address the backlog of needed facilities.

- Southwest Border. The bill includes \$100 million to help communities along the Southwest Border fight the illegal flow of guns and drugs between the U.S. and Mexico.

### **State and Local Law Enforcement Assistance**

- Byrne Justice Assistance Grants. The bill provides \$490 million for Byrne Justice Assistance Grants to support State and local police. The funding is intended to help keep over 6,000 cops on the beat in local communities and aid in the installation of almost 45,000 mobile laptops in police vehicles.

- COPS Hiring. The bill includes \$500 million for the competitive COPS hiring grant program, which will put 6,500 new cops on the beat across the country.

- U.S. Marshals Service. The stimulus also includes \$50 million for the U.S. Marshals Service to implement the Adam Walsh Act. This funding will allow the Marshals to hire 150 new Deputy U.S. Marshals dedicated to apprehending fugitive sex offenders threatening children in communities.

The House bill does not contain funding for law enforcement assistance.

### **Food and Nutrition**

The stimulus package temporarily increases Food Stamp benefits by 10 percent and includes \$445 million for the Women, Infants, and Children (WIC) program (which would allow 600,000 women and children to receive WIC benefits and help states avoid waiting lists). \$50 million is included for Food Banks, \$8 million for the Commodity Supplemental Food program, and \$60 million for senior meals programs.

The House-passed bill includes \$2.6 billion to address rising food costs for seniors, people with disabilities and very poor families with children.

### **National Park Centennial Fund**

The bill establishes the Centennial Fund for fiscal years 2009-2018. More than \$500 million in public-private funding is proposed for restoring National Park Service facilities and development of new programs.

### **Federal Lands Maintenance**

The bill provides \$1.05 billion for backlog and deferred maintenance projects at National Parks, National Forests, National Wildlife Refuges, Bureau of Land Management recreational facilities, Bureau of Indian Affairs facilities, and US Geological Survey facilities. The funds will be used for a wide variety of projects such as road and bridge repairs, clean up of abandoned mines, health and safety upgrades to buildings and recreational facilities, repair of ground water wells, levee and dike repairs, and tribal schools and detention facilities repairs. Overall, these funds will create an estimated 24,000 jobs, the Committee said.

### **Clean Water and Drinking Water State Revolving Funds**

The bill includes \$2.5 billion for the Environmental Protection Agency's Clean Water and Drinking Water State Revolving Funds which provide funding to States for low-cost loans to make local sewer projects affordable. EPA estimates that \$202 billion will be needed to keep pace with aging sewer infrastructure needs over the next 20 years, which would require an average commitment of \$10 billion per year. The President's FY 2009 request of \$555 million for the Clean Water State Revolving Fund funded just 5 percent of that annual need. The Senate Appropriations Committee estimates that this \$2.5 billion investment would create at least 72,000 jobs and generate an additional \$1.1 billion in economic benefits for communities.

The House bill includes \$7.5 billion for Clean Water and Safe Drinking Water Revolving funds. The bill also included \$300 million for water resources for capital improvement projects, including authorized rural water projects.

### **Energy Efficiency**

The stimulus proposal would provide \$300 million for advanced battery research; \$1 billion for the advanced battery manufacturing loan guarantee program (to authorize \$3.3 billion in loan guarantees); \$500 million to help local governments improve energy efficiency; \$500 million for additional energy efficiency and renewable energy research, development and deployment; and \$140 million for electricity transmission improvements (for "smart grid technologies" and to "secure" the grid). It would also increase by 25-fold the cap on third-party financing of transmission facilities of the Western Area Power Administration and the Southwestern Power Administration from \$100 million to \$2.5 billion.

### **Housing**

- \$700 million for capital funding grants to public housing agencies to make capital improvements to their housing stock, repair vacant units, renovate existing units, expand capacity, make additional affordable housing available to individuals and families, and improve energy efficiency.
- \$200 million to provide housing agencies with additional funding to alleviate the increased costs of energy.
- \$575 million to provide relocation and temporary housing assistance for renters displaced when a property owner is foreclosed upon.

### **Transportation**

The stimulus package includes: \$13.5 billion for building and repairing highways, bridges, mass transit, airports, and AMTRAK. These include:

- \$10 billion in additional highway funding (with no local matching requirement), to be distributed according to the formula used to allocate funds for the Surface Transportation Program (STP). The formula is based 40% on highway usage as defined by vehicle miles traveled, 25% on miles of highway, and 35% based on gas tax contributions to the highway trust fund. California typically receives about 10 percent of STP funding, and the proposal would thus yield about \$1 billion for the state.
- \$2.5 billion for transit agencies to address capital and operating needs (no local match required) via formula grants involving a highly complicated formula mixture involving three different sub formulas - urbanized area formula grants, fixed guideway mileage, and bus mileage. (The proposal also calls for a minimum of \$100,000 to every one of the nation's several thousand transit agencies -- essentially what could be termed a small-agency minimum.)



- \$400 million to fund capital projects along Amtrak's corridors, including funding to rehabilitate inactive rolling stock to expand passenger capacity.
- \$100 million to fund grants to states for capital projects that improve the quality and timeliness of passenger rail service.
- \$500 million for capital improvements to airports (with no local match requirement) for projects that are ready to begin construction immediately.
- \$500 million for the Transportation Security Administration (TSA) to accelerate procurement and installation of security equipment at airports (nine additional airports) for explosives detection systems for checked baggage.

### **Corps of Engineers**

The bill proposes \$1 billion, of which \$150 million is for construction jobs for rehabilitation and maintenance of Corps' hydropower facilities. Other funds would be for dredging channels that provide either significant movement of coal, fuel, liquefied natural gas (LNG), or oil and natural gas equipment, and to partially address the backlog of dredging work at other Corps of Engineers harbors and channels. Additional construction and maintenance funds are intended for work at flood control, environmental restoration, public use, and navigation projects nationwide and to provide environmental infrastructure assistance.

### **Education and Job Training**

For education and job training purposes, the package proposes:

- \$2.5 billion for school repairs
- \$600 million for youth training and dislocated workers
- \$200 million for Community Services Block Grant funding for low-income families
- \$36 million for homeless education

The \$2.5 billion in school repair funding would be distributed to states in accordance with the state's allocation of federal Title I funding (California's share is typically about 14%). The state would then use those funds for competitive grants to school districts taking into account districts' child poverty percentages, school repair needs, fiscal capacity (the districts' ability to pay for things themselves), charter school availability, and likelihood of maintaining the facility once repaired. (Matching funds would be required on a sliding scale, depending on district poverty rates.)

### **Health**

In the healthcare arena, the bill proposes

- \$1 billion to be provided to the National Institutes of Health (NIH) for up to 2,700 additional research project grants.
- \$46 million to the CDC for combating infectious diseases.
- \$950 million to the Public Health and Social Services Emergency Fund (PHSSEF) for bioterrorism preparedness and countermeasures and to prepare for the possibility of event an influenza pandemic.

### **NASA**

The bill would provide \$400 million for NASA to help shorten the projected 5-year gap between the retirement of the Space Shuttle in 2010 and the availability of the new U.S. space vehicle in 2015.

### **Department of Energy Office of Science**

The stimulus proposes to boost the Department of Energy's Office of Science program by \$175 million to meet international and domestic research priorities and infrastructure needs.

## **CLIMATE: CLIMATE CHANGE WILL HAVE ECONOMIC COSTS, REPORT FINDS**

According to a recently released Next 10 and University of California-Berkeley report, "California Climate Risk and Response," authored by Professor David-Roland Holst and Fredrich Kahrl of UC Berkeley, economic impacts of climate change and adaption in California will be significant and costly.

The report, which contains a multi-sector analysis and assessment, contains four overarching findings. The report indicates that if no action is taken, the damage caused by climate change will result in tens of billions of dollars per year in direct costs, even higher indirect costs, and may expose trillions of dollars of assets to collateral risks. Second, proactively responding to climate change with mitigation measures, strategic

deployment of existing resources, and private investment will ultimately cost a fraction of the net costs of inaction, and will enhance employment and productivity. Third, sector level adjustments will be significant and will require leadership, foresight, planning and coordinated policy efforts. And finally, the lack of certainty about the impacts and outcomes of climate change may prove to be costly as the state and policy makers attempt to find and develop solutions and to implement mitigation and adaptation efforts.

More information and the full report can be found at <http://www.next10.org/>.

### **CLIMATE: PPIC SURVEYS CLIMATE POLICY AT THE LOCAL LEVEL**

In 2006, California passed the Global Warming Solutions Act (AB 32), which will require the state to decrease emissions across all sectors of the economy. While AB 32 grants fairly broad authority to the California Air Resources Board (CARB) to develop and implement a statewide program to decrease the emissions of greenhouse gases, neither the legislation nor CARB's scoping plan, establish explicit targets for local governments.

According to a survey conducted by the Public Policy Institute of California and the Institute for Local Government, "Climate Policy at the Local Level: a Survey of California Cities and Counties," the lack of state mandated action has not halted or deterred local governments from developing their own policies and programs aimed at reducing emissions.

Overall, the survey, which sampled 310 cities and counties, representing 58-percent of all cities and counties, and 73-percent of the state's population, indicates that roughly three-quarters of California cities and counties are working on climate change issues. Over half have completed or are planning to complete climate action plans, and have modified existing planning and regulatory frameworks to take into account emissions impacts.

The survey found that generally, local governments are less focused on community wide measures, and have instead put the bulk of their resources into city and county facilities and operations. Much of the community wide work that has been done has been the result of efforts and collaboration between businesses, non-profits and other community leaders. Local governments also have been slow to address the impacts that climate change may have on their regions; most have not yet developed adaptation plans.

The survey also highlights implementation barriers – or barriers that should be addressed at a local and statewide level to help further facilitate emissions reductions. These include: increasing the availability of information on programs that are successful, addressing resources constraints and resources availability, and clarifying state laws, particularly those that relate to local land use.

The complete report and more information can be found at: <http://www.ppic.org>.

### **TRANSPORTATION: VOTER APPROVAL OF PROPOSITION JUMP STARTS HIGH SPEED RAIL**

California voters in the November general 2008 election approved Proposition 1A, providing \$10 billion in bond funding to eventually build the nation's first high-speed rail system capable of moving passengers at speeds up to 220 miles per hour.

The \$10 billion is the first portion of a three-part effort to raise \$33 billion to build the anchor link of the system, and the next funding stop on the line is the federal government. The goal for the system's first primary phase is a financing split paid one-third by the state, one-third by the federal government, and one-third from private funding.

Federal funding prospects could include a component of an economic stimulus bill, and funding for a National High Speed Rail Authority is another alternative.

Judge Quentin Kopp, who serves as Chairman of the California High Speed Rail Authority, commented that, "A reliable 220-mile-per-hour electric high-speed train system will reduce our dependence on foreign oil by more than 12 million barrels per year and reduce greenhouse gases that cause global warming by 12.7 billion pounds annually. In short, we seek to reduce traffic congestion, protect our environment and give energy and life to our economy to the tune of 450,000 new jobs."



The CHSRA estimates that high speed trains will create \$11 billion annually in direct benefits to Californians, and building the system will create more than \$150 billion in measurable present value benefits (approximately three times the present value of the train's capital and operating costs over the next 40 years).

The first phase of the system is anticipated to link San Francisco to Los Angeles via the Central Valley, and a complete system would link San Diego through to Sacramento. The estimated travel time between San Francisco and Los Angeles would be about 2.5 hours.

For additional information, visit <http://www.cahighspeedrail.ca.gov> .

### **ECONOMY: CALIFORNIA RANK SLIPS TO 8TH AMONG STATES IN THE NEW ECONOMY**

In November 2008, the Information Technology and Innovation Foundation (ITIF) released its 2008 State Economy Index, which employs 29 indicators to determine how states stack up in the new economy. According to ITIF, the 'new economy' is a changing economic landscape that requires state economies to be innovative, globally-linked, entrepreneurial and dynamic, with an educated workforce and all sectors embracing the use of information technology. The 2008 report builds upon the three previous ITIF new economy reports from 1999, 2002 and 2007.

Massachusetts has held the number one spot since 1999 and Mississippi, West Virginia and Arkansas have held the bottom three rankings in all three reports. In 1999, 2002 and 2007, California ranked 2nd, 2nd and 5th respectively; in 2008, California dropped from 5th to 8th in the national ranking.

The report also highlights necessary and innovative state-level policy recommendations designed to make states more competitive, including policies designed to support knowledge infrastructure, innovation and entrepreneurship, and identifies the importance of encouraging cross sector and cross-institution collaboration to ensure success in the new economy.

To see how California ranks in all indicators, and to read the full report, go to: <http://www.itif.org/> .

### **CLIMATE: PPIC REPORTS ON PREPARING CALIFORNIA FOR CLIMATE CHANGE**

As climate science develops and the state, nation and world learn more about the impacts of climate change, many climate science experts indicate that some of the impacts of global warming will be inevitable, regardless of the efforts taken to decrease emissions and prevent further change. Scientists, economists and leaders believe that these unavoidable changes, which are expected to include higher air and water temperatures, rising sea levels, and extreme weather events, such as heat waves, droughts, wild fires and floods, may also have significant impacts on California's economy, environment and society.

In its November 2008 report, "Preparing California for Climate Change," the Public Policy Institute of California (PPIC) identifies the likely impacts of climate change in six key areas: water resources, electricity, coastal resources, air quality, public health and ecosystem resources, and assesses the extent to which California's institutions are prepared to address potential challenges. The report also highlights six areas where city, county and state governments, industry leaders and others should come together to develop a comprehensive statewide adaptation strategy. These proposed areas of action include: improving the science of climate impacts on regional and local levels, supporting the efforts of local governments to interpret and address climate science and to assess which potential risks they should prepare their regions for, determining areas for early action, like infrastructure investment, refining adaptation tools and developing new ones, strengthening incentives for action, and ensuring the legal and regulatory frameworks are conducive to action.

The report stresses the importance of developing an integrated state-wide climate policy that addresses emissions reductions and adaptation simultaneously. The full report can be found at: <http://www.ppic.org> .

### **AGRICULTURE: CITRUS PEST WORRYING SOUTHERN CALIFORNIA GROWERS**

An emerging threat to California's citrus crops has been detected in two California border counties. According to the California Farm Bureau Federation (CFBF), the Asian citrus psyllid is a non-native pest that can carry a serious plant disease known as citrus greening. Agriculture officials have begun vacuuming crops

in an effort to detect infestations early; the pests are hard to find since they are not attracted to conventional traps.

After Asian citrus psyllids were found in traps in late August, near the Sweetwater Reservoir in San Diego County, a state and federal quarantine was imposed in the area. In October, another Asian citrus psyllid infestation turned up in Imperial County, about 100 miles away from the San Diego infestations, in a citrus grove and residential areas near the Mexican border. So far in southern San Diego County 12 psyllid infestations have been found on residential properties within the quarantine zone and they have been treated at residential sites. No infestations have been found at commercial locations, and none of the psyllids trapped in California have carried citrus greening disease.

The aggressive quarantines and restrictions are important, officials say, because many experts consider citrus greening disease may be the most serious citrus disease in the world. According to CFBF, it is currently devastating Florida citrus groves -- the value of the 2007-08 Florida citrus crop fell 19 percent to \$1.2 billion, due in large part to the impact of citrus greening disease. There is no cure once a citrus tree is infected with the bacterial disease.

Because this pest and disease threat are so significant, leaders of California's \$1 billion a year commercial citrus sector are considering a self-imposed increase of 3 cents to 6 cents in the per-box assessment to support research on the pest and the disease it spreads. (The funds would help the Citrus Research Board find answers.)

Growers have also met with U.S. and Mexican officials to discuss a coordinated response to the threat, as the psyllids already infest many locations in Mexico. "As our colleagues in Florida have sadly experienced, this pest and the disease are devastating," said Mike Wooten, vice president of corporate relations for the Sunkist Growers citrus cooperative, in a CFBF report. "It's nothing less than catastrophic. By their own estimates, within five to seven years, the citrus industry in Florida will no longer be viable."

According to Wooten, citrus groups and farmers have asked the U.S. Department of Agriculture to set up a cooperative effort with the Mexican government to treat for the psyllid on both sides of the border -- such treatments reportedly have started in Tijuana.

For online information about the Asian citrus psyllid and citrus greening disease, see <http://www.cdfa.ca.gov/phpps/acp/> . For additional information from the California Farm Bureau Federation, visit <http://www.cfbf.com> .

## **HEALTH: UCLA REPORT IDENTIFIES CHALLENGES FOR CALIFORNIA'S ELDERLY AND POLICYMAKERS**

On November 20, the Center for Health Policy Research at UCLA released a report that examines health statistics of elderly Californians from three California Health Interview cycles in 2001, 2003, and 2005. The report highlights current challenges facing elderly Californians and the state's policy makers and predicts potential future challenges.

By 2026, California's elderly population is expected to double from around 4 million to around 8 million, and report findings indicate that older adults are more likely to report health problems, more likely to use medical care services, and more likely to visit the emergency room or a doctor on a monthly or more frequent basis. The report also highlights racial and ethnic disparities, in particular disparities between the Latino elderly population and non-Latino white elderly population; elderly Latinos are more likely to report having health issues -- a problem that is likely exacerbated by barriers to preventative care, such as resource availability, language and culture, and immigration concerns.

The report identifies the San Joaquin Valley region as the region struggling most significantly with these issues. Elderly in the region have the highest rates of diabetes, highest blood pressure and obesity, and are the most likely to experience falls and food insecurity.

The full report provides health statistics by county, region and topic and identifies some positive trends, including increased screening rates for cancer.

More information and the complete report can be found at: <http://www.healthpolicy.ucla.edu> .

### **AGRICULTURE: CALIFORNIA RETAINS TITLE OF TOP MILK PRODUCTION STATE**

According to the U.S. Department of Agriculture, California continues to lead the nation in milk production. California's 1.8 million cows produced nearly 3.3 billion pounds of milk in September 2008, well ahead of 2nd ranked Wisconsin, which produced just shy of 2 billion pounds. The November 17, 2008, report by USDA's National Agricultural Statistics Service (NASS) states that nationwide milk production rose 1.8 percent from the same time the prior year, though California's production was up by less than half that rate, about 0.7 percent more than one year before. For October, California saw a slight decline (about 1 percent) from the similar point a year before, where the U.S. as a whole saw a 1.5 percent increase.

The USDA report is available at <http://www.usda.gov/nass/PUBS/TODAYRPT/mkpr1108.pdf> .

### **IMMIGRATION: MEXICAN STATISTICS AGENCY REPORTS DROP IN OUT-MIGRATION**

A November 20, 2008 report from Mexico's National Statistics and Geography Institute finds a sharp decline in emigration out of Mexico over the last two years.

According to the report, 14 Mexicans left the country in between February and May of 2006, whereas only 8 left Mexico between February and May of 2008. Overall emigration from Mexico declined from nearly 370,000 for that three-month period in 2006 down to just 217,000 for the same period this year.

For full year periods measured, departures slipped less dramatically -- from 1,026,000 to 814,000 -- between the February 2006-January 2007 period and the February 2007-January 2008. But a sharp difference appears between rate of emigration for the first six months of the latter period. Nearly twice as many people left Mexico from February 2007 to July 2007 as did between August 2007 and January 2008.

Most out-migration from Mexico are immigrants to the United States. The report does not distinguish between legal and illegal migration, but a press report indicated that the U.S. Border Patrol has reported a 39 percent drop since 2005 in the capture of migrants trying to cross the frontier illegally.

The report, available in only Spanish and entitled "*Ejercicio Estadístico Del Inegi Confirma El Descenso En La Salida De Mexicanos Al Extranjero*," is available at <http://www.inegi.gob.mx/inegi/contenidos/espanol/prensa/comunicados/migracion.asp> .