



# THE CALIFORNIA INSTITUTE FOR FEDERAL POLICY RESEARCH

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## California Capitol Hill Bulletin

### Volume 16, Bulletin 2 – January 23, 2009

*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.*

#### **ECONOMY: CALIFORNIA INSTITUTE RELEASES SUMMARY OF ECONOMIC STIMULUS BILL**

House Committees began considering their portions of an \$825 billion economic stimulus plan (H.R. 598, The American Recovery and Reinvestment Act of 2009) on Wednesday, January 21, 2009, with the Appropriations Committee taking the lead and reporting funding under its jurisdiction by a vote of 35-22. The Appropriations Committee maintains jurisdiction over \$358 billion worth of discretionary spending in the bill.

The House-proposed measure would include \$303 billion in tax cuts, with two-thirds of that going to individuals, to accompany \$550 billion in new federal spending. More than half of the new expenditures would be executed in the form of grants to states and local governments for health and education.

The House Ways & Means Committee on Thursday approved the tax portions of the bill on a 24-13 party-line vote.

The California Institute is preparing a summary of the major spending provisions contained in the economic stimulus package as reported by the House Appropriations Committee. As further action takes place on the bill, the Institute will update its report.

The report -- as well as a link to a California Institute-prepared supplementary spreadsheet listing all appropriations items in the stimulus bill -- is available at <http://www.calinst.org/pubs/2009stimulus.shtml>.

#### **HEALTH: HOUSE APPROVES SCHIP BILL WHILE SENATE FINANCE REPORTS ITS VERSION; IMMIGRANT PROVISIONS CONSIDERED**

By a vote of 289-139, the House on Wednesday, January 14, 2009 passed H.R. 2, the State Children's Health Insurance Program legislation. Similar legislation was passed in 2007 but twice vetoed by President George Bush.

The bill would add about 4 million new children and adults to SCHIP, increasing the number covered to about 11 million. Children and families with income up to 300 percent of the poverty level will be eligible for

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coverage. The House bill is expected to cost about \$34.3 billion over five years. Most of the expansion of the program is expected to be paid for by a 61 cent increase in the cigarette tax.

The bill continues to deny eligibility for the program to illegal immigrants, but will allow legal immigrants who have been in the country less than the current five-year waiting period to apply for SCHIP. Applicants will be required to provide their name and Social Security number and declare their legal residency; states would then be required to verify their immigration status and eligibility.

The House defeated a Republican motion to recommit that would have amended the bill to mandate that states insure at least 90 percent of children in households under 200 percent of the poverty level before allowing coverage for families with incomes over that level. The motion was rejected by a vote of 179-247.

On the Senate side, the Finance Committee reported its bill, S. 275, on January 15 by a vote of 12-7. During the markup, Sen. Jay Rockefeller (WVA) successfully offered an amendment to bring the bill into line with the House-passed version by allowing legal immigrants and new citizens into the program with the current five-year waiting period. His amendment also passed by a vote of 12-7.

After several failed Republican attempts to amend the bill to require stricter documentation of legal status, the Committee approved by voice vote an amendment by Sen. Chuck Grassley (IA) to require states, when they periodically reassess the income levels of SCHIP enrollees, to also reassess their citizenship or legal residency status. The Committee also agreed to an amendment to allow states, at their option, to offer dental insurance to children who are privately insured but do not have dental coverage.

The Senate leadership hopes to take up the bill on the Senate floor in the near future.

## **RESOURCES: SOUTHERN CALIFORNIA MOLLUSK GAINS FEDERAL PROTECTION**

On Tuesday, January 13, 2009, the black abalone, a mollusk that once ranged throughout the southern California coast, received federal protection after an assessment by the National Marine Fisheries Service and the National Oceanic and Atmospheric Administration (NOAA).

According to NOAA, the black abalone was once abundant in the intertidal waters along California's southern coast. This edible mollusk peaked as a commercial fishery stock in California in the 1970s and California ended commercial and recreational harvesting of the black abalone in 1993.

The mollusk was hit with a bacterial disease known as withering syndrome in the 1980s, and the disease, combined with warmer coastal waters caused by changes in climate; warm water effluent of power plants; and overfishing and poaching, resulted in a rapid and lasting population decline.

NOAA ruled that the black abalone will be listed as endangered under the Endangered Species Act. More information can be found at <http://www.noaa.gov/>.

## **ECONOMY: HOUSE SEEKS TO HALT TARP FUNDING FLOW**

On Thursday, Jan. 22, 2009, the House of Representatives voted 270-155, to suspend release of the second tranche of \$350 billion for the Troubled Asset Relief Program (TARP).

However, both the House and Senate must agree on disapproval of the financial services sector bailout funding, and the Senate is unlikely to follow the House's lead on the matter. As such, most observers predict the second half of TARP funding will move forward without delay.

## **TAXATION: UCLA SCHOOL OF LAW AND THE TAX POLICY CENTER TO HOST TAX POLICY CONFERENCE**

On Friday, January 30, 2009 from 8:30 am to 5:15 pm, the UCLA School of Law and the Tax Policy Center are hosting a day long conference entitled "Tax Policy in the Obama Era." The event will take place at the UCLA School of Law, Room 1447, but a live webcast will be available on January 30.

Subjects covered will be tax policy in an era of growing inequality; dimensions of fiscal policy in the post-Bush era; policy options and economic crisis; and politics, public opinion and the possibility of tax reform.

The lunchtime speaker will be Rep. Xavier Becerra (Los Angeles), a member of the House Ways and Means Committee, as well as the Democratic leadership.

Presenters will include: Emmanuel Saez, UC Berkeley Economics Department; Leonard Burman, Tax Policy Center; Eric Zolt, UCLA School of Law & Leah Boustan, UCLA Economics Department; Elizabeth Garrett, University of Southern California; George Yin, University of Virginia School of Law; Hillary Hoynes, UC Davis Economics Department; Kirk Stark, UCLA School of Law; Pamela Olson, Skadden Arps; Steve Bank, UCLA School of Law; Dan Halperin, Harvard Law School & Tax Policy Center; Daniel J. B. Mitchell, UCLA Anderson School of Management; Joseph Bankman, Stanford Law School; Larry Bartels, Princeton University; Ed McCaffery, USC School of Law & California Institute of Technology; Rosanne Altshuler, Tax Policy Center; and Ellen Aprill, Loyola Law School.

For further information, please contact Rachel Estrada, Business Law and Policy Program Manager, UCLA School of Law, [estrada@law.ucla.edu](mailto:estrada@law.ucla.edu), (310) 206-1875.

## **CRIME: FINDINGS INDICATE NATIONWIDE AND CALIFORNIA STATEWIDE INCREASES IN HOMICIDES INVOLVING YOUNG BLACK MALES**

According to a report released by James Alan Fox, Ph.D., and Marc Swatt, Ph.D., of Northeastern University, Boston, Massachusetts, homicide levels in the United States involving young black males are on the rise.

The report, entitled *The Recent Surge in Homicides Involving Young Black Males and Guns: Time to Reinvest in Prevention and Crime Control*, finds that from 2002 to 2007, the number of homicides involving black male juveniles as victims rose by 31 percent and as perpetrators by 43 percent. Increases involving gun related homicides involving young black males are even more pronounced: 54 percent increases for young black male victims and 47 percent for young black male perpetrators. In every region of the country, in nearly all population groups of cities, and in the majority of individual states and cities, increases in homicide among black young people are coupled with smaller increases, and in some cases, decreases in homicide rates among white young people. The report includes statistics for the state of California and four of its major cities: San Diego, Los Angeles, San Jose and San Francisco.

Between 2000-2001 and 2006-2007, California as a whole saw a 6 percent increase in the number of homicides involving white youth offenders, and a 14 percent increase in the number of homicides involving black youth offenders. In San Diego, white youth offenders increased by 31 percent, while black youth offenders increased by 44 percent; San Francisco saw increases of 32 percent and 79 percent in white youth offenders and black youth offenders respectively; San Jose saw a 110 percent increase in white youth offenders and no significant increase in black youth offenders; and, in Los Angeles, 20 percent decreases in white youth offenders and 22 percent decreases in black youth offenders were seen.

The report highlights other statistics including homicide rates involving guns, time of day patterns, analysis based on projected future demographics, and the authors make recommendations for federal action, including an “at-risk-youth bailout.”

Questions about the findings in the report should be directed to: James Alan Fox at [j.fox@neu.edu](mailto:j.fox@neu.edu) or 617-416-4400. The full report can be accessed at: <http://www.jfox.neu.edu> .

## **TECHNOLOGY: SURVEY RESPONDENTS EXPECT MAJOR INTERNET TECHNOLOGY ADVANCES**

A Pew Internet and American Life Project survey of internet leaders, activists and analysts show that these users and experts expect major advances in internet technologies. While these users disagree about the extent to which technological advances will create a more socially tolerant society, improved relations between different peoples, or improved home lives, they do believe that technologies will become increasingly embedded in everyday life.

Users surveyed were asked to assess predictions about technology and its roles in the year 2020. Some of the findings from the survey include the following: 1) The mobile device will be the primary connection tool to the internet for most people in the world in 2020; 2) The transparency of people and organizations will increase, but that will not necessarily yield more personal integrity, social tolerance, or forgiveness; 3) Voice recognition and touch user-interfaces with the internet will be more prevalent and accepted by 2020; 4) Those working to enforce intellectual property law and copyright protection will continue to have to address issues associated with individuals unlawfully copying and sharing content without payment; 5) The divisions between personal time and work time and between physical and virtual reality will be further erased for everyone who is connected, and the results will be mixed in their impact on basic social relations; and 6) Next-generation engineering of the network to improve the current internet architecture is more likely than an effort to rebuild the architecture from scratch.

The full report and more information can be found at: [http://www.pewinternet.org/PPF/r/270/report\\_display.asp](http://www.pewinternet.org/PPF/r/270/report_display.asp) .

## **ECONOMY: GREEN ECONOMY WORKFORCE STUDY IDENTIFIES OPPORTUNITY FOR CENTRAL VALLEY**

The Centers of Excellence, in conjunction with the California Community Colleges Economic and Workforce Development Program, recently released the Green Economy Workforce Study to help decision-makers understand how California's Central Valley region will be impacted by the development of a green economy and how changes in the economy will impact demands on the regional workforce.

The report identified: 1) the industries that are expected to be most impacted by the development of the green economy; 2) key green workforce needs and occupations, particularly those most relevant to industries and community colleges; and 3) employer challenges in recruiting, hiring and retaining workers. It included executive interviews and surveys from 59 Central Valley businesses with at least five employees, including engineering and environmental services, energy and utility firms, local government and public administration, building and design services, and agriculture firms.

The report highlighted the following major findings:

- Over 60% of employers identified themselves as green or somewhat green firms
- 63% of employers stated the demand for lower energy costs was very important to the development of the green economy and their business
- Over 70 percent of employers indicated they had at least some difficulty (49%) if not great difficulty (22%) recruiting non entry-level employees with adequate skills and work experience
- Employers indicated that an A.A. degree in a green subject area was not a priority for hiring employees; a short-term certificate is more desirable to employers hiring employees in the green economy.

The report indicates that the Central Valley will face difficulties developing the green economy as a result of the economic downturn.

The report can be found at: [http://www.coecc.net/Environmental\\_Scans/GreenEcon\\_Scan\\_CV\\_08.pdf](http://www.coecc.net/Environmental_Scans/GreenEcon_Scan_CV_08.pdf) .

### **HEALTH: CRB RELEASES A HEALTH TECHNOLOGY ASSESSMENT, RECOMMENDS THE CREATION OF A NEW CENTRALIZED PROGRAM**

According to the California Research Bureau, "wide variations in clinical practice patterns and the large volume of research present an opportunity for a new centralized and multidisciplinary body with the purpose of aggregating, evaluating and disseminating evidence-based information."

In "A Briefing on Health Technology Assessment," the CRB describes the benefits and drawbacks of Health Technology Assessments, or HTAs. They are intended to help ensure the best healthcare value for dollars spent and allow for the assessment of effectiveness and cost analyses to improve clinical practice. The report also describes stakeholders and the agencies and organizations that engage in technology assessment activities, and summarizes current and proposed local, state and federal legislation and programs.

The complete report can be found at <http://www.library.ca.gov/crb/08/08-019.pdf> .

### **ECONOMY: U.S. CONFERENCE OF MAYOR'S REPORT FINDS INCREASES IN DEMAND FOR EMERGENCY FOOD ASSISTANCE**

A survey of 25 U.S. cities by the U.S. Conference of Mayor's Task Force on Hunger and Homelessness found that: 1) 20 cities reported an increase in the demand for emergency food assistance between October 1, 2007 and September 30, 2008; 2) 21 cities cited an increase in the number of persons requesting food assistance for the first time, with the most significant increases in the number of requests coming from working families; 3) the increase in the demand for food assistance exceeded the increase in the amount of food distributed in eighty percent of the cities surveyed; 4) nine cities reported making significant changes in the types of food that they purchased as a result of rising food costs; 5) 13 cities reported that food pantries were forced to turn people away and 16 cities reported reducing the amount of food each client could receive in a visit; 6) nearly every city cited concerns about increasing demand as a result of the weakening economy coupled with high prices for food and fuel; and 7) 19 cities reported an increase in homelessness, and on average, cities reported a 12 percent increase in homelessness.

Three of California's cities were included in the survey, including San Francisco, Los Angeles, and Santa Monica. Last year, Los Angeles County reported a 10 percent increase in the request for emergency food assistance and in 2007 more than 5,200 households lost their homes to foreclosure. San Francisco also saw a 10 percent increase in the demand for emergency food assistance and the waitlists for families and individuals attempting to access emergency shelters has increased by fifty percent. Santa Monica experienced a 21 percent increase in requests for emergency food assistance, and about one-half of all requests came from individuals who were employed.

The full report can be accessed at:

[http://www.usmayors.org/pressreleases/documents/hungerhomelessnessreport\\_121208.pdf](http://www.usmayors.org/pressreleases/documents/hungerhomelessnessreport_121208.pdf) .

### **TRANSPORTATION: REPORT ASSESSES THE USE OF IMPACT FEES AND DEVELOPER EXACTIONS FOR TRANSIT**

The "Use of Fees or Alternatives to Fund Transit" by the Transit Cooperative Research Program addresses the use of impact fees and other developer exactions for transit in the United States. The report assesses the various circumstances that have contributed to the development, or lack thereof, of transit impact fees in this country and the various strategies used by states, municipalities, and transit systems to develop impact fees or other development exactions to fund transit related to growth.

The report includes a discussion of the use of impact fees and other development exactions for transit and the various policies and structural and legal considerations and a series of case studies detailing impact fees and other exactions either enacted or considered in various jurisdictions.

According to the Transit Cooperative Research Program, the objectives of the report are to assess the use of impact fees for transit in the United States, to discuss policy and legal considerations relating to the use of

impact fees and developer exactions for transit, to discuss various methodologies currently in use, and to identify causes that exemplify strategies transit agencies may pursue when considering impact fees as an alternative funding source for transit.

The report raises concerns over the underutilization of impact fees for capital improvements for transit infrastructure in the United States, citing statutory limitations as only part of the reason that impact fees aren't widely used, and suggests that planners and transit providers coordinate and cooperate to determine the extent to which impact fees may support transit development and growth.

The full report can be found at: <http://pubsindex.trb.org/document/view/default.asp?lbid=877152> .

### **INFRASTRUCTURE: PPIC RELEASES REPORT ON INFRASTRUCTURE FINANCING**

The Public Policy Institute of California released a report on January 22 entitled, *Paying for Infrastructure: California's Choices*. The report was authored by PPIC research director Ellen Hanak, with research support from Davin Reed.

Noting that the state's budget problems and the national economic crisis are likely to make it even more difficult for California to fund the infrastructure necessary to its future, the report's authors identify impediments to infrastructure finance and argue for three reforms: relaxing super-majority rules on local infrastructure funding, financing investment through user fees, and expanding public-private partnerships.

To obtain the report, go to: <http://www.ppic.org> .