



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 16, Bulletin 17 – June 11, 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.

CAPITOL HILL: MCKEON WINS ARMED SERVICES RANKING SLOT

On Wednesday, June 10, 2009, Rep. Howard P. "Buck" McKeon (Santa Clarita) won his race to become the top Republican House member on the full Armed Services Committee. The top committee slot opened up when President Obama appointed the current ranking Republican member, Rep. John McHugh (NY), to be Secretary of the Army. McKeon outpolled Rep. Roscoe Bartlett (MD) and Rep. Mac Thornberry (TX) for the ranking job.

In announcing his candidacy, Rep. McKeon had said that "The coming years are poised for tough challenges for our men and women in uniform and I stand ready to lead as a strong voice for Republicans."

Rep. McKeon's website is <http://mckeon.house.gov/>.

APPROPRIATIONS: HOUSE APPROPRIATIONS REPORTS COMMERCE, JUSTICE, SCIENCE BILL

The House Appropriations Committee, on June 9, 2009, reported its FY 2010 Appropriations for Commerce, Justice, and Science. The \$64.4 billion bill was approved by voice vote.

During the mark-up, Rep. Ken Calvert (Corona) offered an amendment to boost funding for the State Criminal Alien Assistance Program by \$100 million to \$400 million, the same level as in the last few years. The amendment failed, primarily because it would have offset the additional cost by a \$100 million cut in Census Bureau funding. Rep. Mike Honda (San Jose), while reiterating his continued commitment to increasing SCAAP funding, argued that reducing Census funding just before the start of the 2010 census would not be prudent. Other committee members supported that view.

Other funding in the bill includes:

CONTENTS:

Capitol Hill: McKeon Wins Armed Services Ranking Slot	1
Appropriations: House Appropriations Reports Commerce, Justice, Science Bill.	1
Appropriations: Homeland Security Bill Clears Appropriations Subcommittee.	3
Appropriations: FY10 Interior Funding Approved By House Subcommittee.	4
Appropriations: House Appropriations Approves 302(b) Allocations.	4
Environment: Senate Subcommittee Discusses Role of Oceans in the Economy	5
Biotechnology: House Health Subcommittee Addresses Biologic Drug Competition.	5
Energy: Committee Markups Energy Legislation.	6
Climate: Subcommittee Discusses Allowance Allocation Policies in Climate Change Legislation.	6
Environment: Green Marketing Practices Addressed at Subcommittee Hearing.	7
Economy: Economic Issues Affecting Rural Communities Addressed at Subcommittee Hearing.	7
Education: USC Report Raises Concerns About the Lack of Data on the State's Charter Schools.	8
Education: Education of Foster Youth Report	8
Education: UC Santa Barbara Identifies Economic Benefit to Reducing High School Dropout Rates.	8
Health: RAND Report Examines Implications of Prisoner Reentry on Public Health	9

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

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

PATRONS

AT&T
The Boeing Company
General Atomics
Public Policy Institute of California
Safeway Inc.
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
Pacific Life
SAIC
University of Southern California
Wine Institute

CONTRIBUTORS

Assn of California Water Agencies
California Bankers Association
California School Boards Association
California State Association of Counties
City of Los Angeles
Metropolitan Water District of So. Calif.
RAND

Bay Area Economic Forum
California Association of Realtors
California Farm Bureau Federation
California Space Authority
International Brotherhood of Teamsters
Jacobs Engineering
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

- State and Local Law Enforcement and Crime Prevention Grants: \$3.4 billion, \$671 million above the President's request and \$197 million above 2009. Included in that amount is:

- Community Oriented Policing Services (COPS): \$802 million, \$41 million above the President's request and \$252 million above 2009, for personnel, technology and training grants for local law enforcement agencies. This includes \$298 million for COPS Hiring Grants, which will allow the hiring of over 7,000 police officers when combined with the \$1 billion provided in the Recovery Act.

- Office of Justice Programs: \$2.2 billion, \$644 million above the President's request and \$155 million above 2009, for grants to state and local organizations, including Byrne Justice Assistance Grants, SCAAP, drug courts, and programs for at risk youth and missing or abused children.

- Drug Enforcement Administration: \$2 billion, \$5 million above the President's request and \$81 million above 2009. Funding provides for 128 new positions to stop the flow of illegal drugs across the Southwest border and combat major Mexican drug cartels.

- DOJ-wide Southwest Border Initiative: \$1.5 billion, \$345 million above 2009, for activities to combat violence, stop the flow of illegal weapons and drug trafficking, bring dangerous criminals to justice, and improve law enforcement capabilities along the Southwest border.

- Science Education: \$1 billion, \$68 million above the President's request and \$36 million above 2009 to support science, technology, engineering and math (STEM) education from kindergarten through graduate school.

- Space Science: \$4.5 billion, \$20 million above the President's request, for scientific discovery to improve quality of life and enhance long term economic security. NASA's Science account also received \$400 million in the Recovery Act.

- Global Climate Change Research: Over \$2 billion, \$100 million above the President's request and \$120 million above 2009, to study global climate change, including:

- NASA: Almost \$1.3 billion, including nearly \$150 million to develop and demonstrate space-based climate measurements identified by the National Academy of Science and the science community.

- NOAA: Almost \$400 million to enhance climate change research and regional assessments; climate data records, data access and archiving requirements; and climate change educational programs.

- National Science Foundation: An estimated \$310 million for climate change research, modeling and education.

- Economic Development Administration: \$25 million for green building initiatives.

- National Institute of Standards and Technology: \$15 million for the development of greenhouse gas emission standards.

- NASA: \$18.2 billion, \$483 million below the President's request and \$421 million above 2009, for scientific discovery, national security, and space exploration. NASA also received \$1 billion in the Recovery Act.

- NSF: \$6.9 billion, \$108 million below the President's request and \$446 million above 2009, for scientific research at America's colleges and universities, and supporting scientists with cutting edge labs and equipment.

The bill is in line with the President's stated commitment to double funding for basic research in key agencies over 10 years. NSF also received \$3 billion in the Recovery Act.

- National Institute of Standards and Technology: \$781 million, \$65 million below the President's request and \$57.5 million below 2009, including \$510 million for scientific and technical research services, \$38 million above 2009. Funding includes:

- Manufacturing Extension Partnerships: \$125 million to help small and mid-size manufacturers compete globally by providing them with technical advice and access to technology, as well as leveraging private funds aimed at saving and creating jobs.

- National Oceanic and Atmospheric Administration: \$4.6 billion, \$129 million above the President's request and \$238 million above 2009, to increase ocean, weather, and climate research activities and for satellite acquisitions.

- Economic Development Assistance: \$293 million, \$9 million above the President's request and \$20 million above 2009, to help local communities address economic challenges through innovation and competitiveness and to attract private investment to create jobs.

The California Institute will prepare a more detailed analysis of the California implications of the bill in the near future. In the meantime, more information can be found at: <http://appropriations.house.gov> .

APPROPRIATIONS: HOMELAND SECURITY BILL CLEARS APPROPRIATIONS SUBCOMMITTEE

On June 8, 2009, the House Appropriations Homeland Security Subcommittee approved its FY 2010 appropriations. The overall discretionary funding level in the bill for the Department of Homeland Security is \$42.625 billion. This is \$2.6 billion, or 6.5 percent, above the FY 2009 amount and about 1 percent below the Administration's request, excluding the cost of the Coast Guard overseas operations.

The Subcommittee's bill provides funding to reach DHS's targeted staffing level of 20,019 Border Patrol agents, of whom over 17,000 will be based on the Southwest Border – an increase of more than 50 percent since 2006. It also includes \$732 million, a drop from \$875 million in FY 2009 and about \$47million less than the budget request, for the border security fencing, infrastructure, and technology account.

The Subcommittee mark provided \$97.8 million -- \$27.8 million more than the President's request -- for Immigration and Customs Enforcement programs that support the Southwest Border Initiative, including: a \$10 million expansion of ICE investigations of transnational gangs; an additional \$10 million for ICE to improve investigations of cross-border weapons smuggling; \$5 million more for ICE drug smuggling investigations; and an additional \$2.8 million to expand human smuggling and trafficking investigations. Finally, the mark includes \$60 million for Operation Stonegarden to enhance state, local and tribal law enforcement operations and assets along the border.

For immigration, the bill mandates that \$1.5 billion of the \$5.4 billion appropriated to ICE be targeted for identifying dangerous criminal aliens and prioritizing these individuals for removal once an immigration judge orders them deported. The mark fully funds the Administration's request to maintain an annual detention capacity for 33,400 individuals. This level amounts to a 67% increase since 2002. Also, the mark increases the Alternatives to Detention request by \$10 million, provides \$50 million for REAL ID grants, and provides funding to extend the E-Verify program. E-Verify, however, would only be extended two years, as opposed to the three years in the President's request. The U.S.-Visit program will receive \$351.8 million, up \$51.8 million from FY2009, but less than the \$356.19 in the budget request.

For state and local first responder programs, the bill provides \$3.96 billion, including: \$330 million for Emergency Management Performance Grants; \$950 million for the State Homeland Security Grant Program; and \$887 million for the Urban Area Security Initiative. California, in the past, has received as much as 20 percent of UASI grants. The bill also funds \$800 million for Firefighter Assistance Grants; this program is aimed at rural fire station assistance, and California has only received four percent of its funding. The Subcommittee bill also provides \$382 million for cyber security efforts.

Port security grants, on the other hand, are reduced to \$250 million from \$400 million in FY09.

The Institute will compile a more detailed analysis of the California implications of the Homeland Security appropriations, which will be available in the near future. Further information can also be found at: <http://appropriations.house.gov>.

APPROPRIATIONS: FY10 INTERIOR FUNDING APPROVED BY HOUSE SUBCOMMITTEE

The House Appropriations Interior and the Environment Subcommittee approved its \$32.3 billion funding bill for FY10 on Wednesday, June 10, 2009. The bill boosts funding by 17 percent over FY2009, excluding money included in the recovery bill (ARRA) in February, but is still \$25 million below the President's request.

Some of the major provisions included in the bill are:

- The Clean Water and Drinking Water State Revolving Funds and specific infrastructure grants will receive \$3.9 billion for improving local drinking water and wastewater systems. This includes \$2.3 billion for the Clean Water State Revolving Fund, \$1.6 billion more than FY09, and \$1.4 billion for the Drinking Water State Revolving Fund, \$614 million over FY09. As was done in ARRA, a portion of the revolving funds will be available with subsidies, rather than through conventional loans with interest.

- Climate change adaptation and scientific efforts are funded at \$419 million, \$24 million above the President's budget and \$189 million above the 2009 level. That includes \$21 million for the EPA to address the requirement that the U.S. produce 36 billion gallons of renewable fuels by 2022; \$10 million is included to continue EPA grants to encourage local communities to find ways to cut their greenhouse gas emissions.

- The Department of the Interior will receive \$178 million for climate change programs, including \$67 million for priority climate change research at the U.S. Geological Survey, and \$80 million for climate change planning and on-the-ground conservation efforts at the Fish and Wildlife Service, including \$40 million for climate change activities through the State Wildlife Grants program. Climate change adaptation activities at the Bureau of Land Management, Park Service, and Bureau of Indian Affairs will receive \$31 million.

- Diesel Emissions Grants are funded at \$60 million, the same as last year and the President's request.

- Brownfields clean-up activities will receive \$100 million, \$3 million more than last year and the same as the President's request.

- Wildland fire activities at the Forest Service and the Department of the Interior will be funded at \$3.55 billion for all of the fire accounts, \$316 million above 2009 and \$58 million above the President's request. The bill increases overall wildfire suppression funding by \$419 million, or 32% over 2009. The fire suppression total includes \$250 million for the new wildfire suppression contingency reserve accounts. Hazardous fuels reduction projects will receive an increase of \$91 million, or 17% over the President's request, for a funding level of \$611 million.

- The National Park Service is funded at \$2.7 billion, \$195 million above FY09 and \$27 million above the President's request.

- Land Acquisition and Forest Legacy (LWCF) activities are funded at \$383 million, \$104 million over FY09, but \$3 million less than the request.

The Institute will compile a more detailed analysis of the California implications of the Interior, Environment, and Related Agencies appropriations, which will be available in the near future. Further information can also be found at: <http://appropriations.house.gov>.

APPROPRIATIONS: HOUSE APPROPRIATIONS APPROVES 302(B) ALLOCATIONS

On June 9, 2009, the House Appropriations Committee approved its 302(b) budget allocations for the 12 regular FY2010 appropriations bill. The Committee also announced a schedule aimed at passing all appropriations bills by the end of July. The total funding is \$1.086 trillion and the Committee approved the

allocations among subcommittees by a party-line vote of 34-21. A Republican amendment that would increased spending for Defense, Military Construction-VA and Homeland Security, and reduced increases to 2 percent for the other nine bills was defeated.

The total is \$8.9 billion less than the President's budget request, with more than \$7 billion of those reductions coming from the Defense, State-Foreign Operations and Energy-Water bills. Defense appropriations received \$508 billion, \$3.5 billion less than the request; State-Foreign Operations was allocated \$48.8 billion, \$3.2 billion less than the request; and Energy-Water was given \$33.3 billion, \$1.1 billion less than requested.

The complete breakdown of the 302(b) allocations can be found at: <http://appropriations.house.gov> .

ENVIRONMENT: SENATE SUBCOMMITTEE DISCUSSES ROLE OF OCEANS IN THE ECONOMY

The Oceans, Atmosphere, Fisheries, and Coast Guard Subcommittee of the Senate Commerce, Science & Transportation committee held a hearing on the future economic role of oceans on June 9, 2009. The hearing, "The Blue Economy: The Role of the Oceans in our Nation's Economic Future," included the following witnesses: Judith T. Kildow, Social Scientist and Director of the National Oceans Economics Program at the Monterey Bay Aquarium Research Institute, Monterey, CA; and William Fenical, Director of the Center for Marine Biotechnology and Biomedicine at the Scripps Institution of Oceanography at the University of California, San Diego; as well as others.

"The Blue Economy - jobs and economic opportunities that emerge from our oceans, Great Lakes, and coastal resources - generates more than 50 percent of our nation's Gross Domestic Product and provides over 70 million jobs to Americans. Simply put, the economic health of America is undeniably linked to the riches of our oceans and coasts," said Chair Maria Cantwell (WA) in her opening statement.

According to witnesses, ocean tourism and recreation, which is the fastest growing sector of the ocean economy, is responsible for 1.7 million jobs in ocean economy employment, and over \$70 billion. Further, 28 percent of all U.S. oil production is from offshore wells, and the total value of fish caught in U.S. waters in 2004 was nearly \$4 billion.

Dr. Fenical encouraged the subcommittee to support and promote marine biological research. Speaking of the potential for discovering and developing new natural pharmaceuticals based on the oceans, he stated, "as we enter the decades to come, it is crucial that the U.S. lead in marine biological research, providing for the creation of new industries based upon the discoveries made from the ocean."

Witness testimony and a webcast can be found at: <http://commerce.senate.gov/>

BIOTECHNOLOGY: HOUSE HEALTH SUBCOMMITTEE ADDRESSES BIOLOGIC DRUG COMPETITION

The Energy and Commerce Subcommittee on Health on June 11, 2009 held a hearing on a new Federal Trade Commission (FTC) report titled, "Emerging Health Care Issues: Follow-on Biologic Drug Competition." The report set forth FTC findings with respect to its investigation into the effects of a follow-on biologics (FOB) pathway on competition and innovation. In particular, the report addressed whether additional incentives, beyond those provided by patents and pricing, are needed to ensure continued innovation in the biologics market.

In his opening remarks, full Committee Chair Henry Waxman (CA) noted that an important issue in the debate on a how to allow approval of follow-on biologic drugs is the length of time that exclusive marketing must be given to the pioneering biotech drugs to sustain innovation. Chairman Waxman and Rep. Anna Eshoo (Menlo Park) have competing bills on the issue, with Rep. Eshoo's bill allowing for a longer period of exclusivity. Waxman's bill (HR 1427), which would allow the Food and Drug Administration to approve generic versions of biologic drugs, would grant five years of exclusivity to the pioneer drugmakers. Eshoo's bill would allow 12 years.

The only witness at the hearing was The Hon. Pamela Jones Harbour, Commissioner, Federal Trade Commission. Rep. Frank Pallone (NJ), chair of the subcommittee, stressed that the focus on the hearing was solely on the competitive impacts on drugmakers if FOBs are allowed, and not on the safety or efficacy of those drugs, which would be handled by the Food and Drug Administration.

Major issues raised at the hearing included:

- the FTC's conclusion that patents held by pioneer biologics makers and market-based pricing are strong enough to protect them from unfair competition despite the drug companies arguments to the contrary
- what incentives and protections will be necessary for both biologic and follow-on biologic companies, and how they are similar or different from the current brand and generic arena
- whether innovation by new generic companies would be impeded by providing a longer term of exclusivity to pioneer drug companies, and
- whether a negative impact on recouping research and development costs will stymie pioneer biologics firms from developing new drugs

Testimony can be found at: <http://energycommerce.house.gov> .

ENERGY: COMMITTEE MARKUPS ENERGY LEGISLATION

On June 9, 2009, the Senate Energy and Natural Resources Committee, led by Chairman Bingaman (N.M.), met to mark up draft comprehensive energy policy legislation, and on June 11th continued discussion and markup of the American Clean Energy Leadership Act of 2009.

The committee, which has held several days of markup on the bill, focused on the titles and sections relating to the Renewable Electricity Standard (RES), oil and gas, and energy markets. Some of the more significant amendments offered were: an RES compliance amendment accepted by voice vote; an oil and gas title amendment to allow leasing in the Gulf of Mexico that was approved by a vote of 13 to 10; an OCS revenue sharing amendment that failed by a vote of 13 to 10; and an amendment that changes the responsibilities of the Secretary of the Interior that was approved.

The committee will continue discussion and markup of the proposed legislation next week. The Institute will continue to provide more information on the specific amendments considered at the markup as that information becomes available.

CLIMATE: SUBCOMMITTEE DISCUSSES ALLOWANCE ALLOCATION POLICIES IN CLIMATE CHANGE LEGISLATION

The House Energy and Commerce Subcommittee on Energy and Environment held a hearing titled, "Allowance Allocation Policies in Climate Legislation: Assisting Consumers, Investing in a Clean Energy Future, and Adapting to Climate Change" on June 9, 2009. The hearing examined allocation policies under the American Clean Energy and Security Act (ACES).

When the committee marked up ACES, Rep. Edward Markey (MA) agreed to hold a hearing on the allocation language in the bill, which will ultimately allow for the distribution of billions of dollars worth of allowances to industry. The legislation passed the full committee by a 33-25 vote and was sent to the floor on May 21, 2009.

The American Clean Energy and Security Act, H.R. 2454, would:

- establish a 20-percent renewable energy standard by 2020
- allocate billions of dollars for investment in clean energy technologies such as carbon capture and sequestration, energy efficiency, green-vehicle technologies, and R&D
- require new energy-saving standards for buildings and appliances
- set carbon emissions from major U.S. sources, and
- establish consumer protection measures.

In his opening statement, full Committee Chairman Henry Waxman (Los Angeles) explained: "H.R. 2454 requires that major U.S. sources of emissions obtain an allowance for each ton of global warming

pollution emitted into the atmosphere. EPA estimates that in 2005 dollars, these allowances will cost \$11 to \$15 in 2012 and increase to \$22 to \$28 by 2025. EPA's estimates are consistent with estimates by the Congressional Budget Office. At these prices, the total value of the allowances created under the legislation ranges from \$50 to \$70 billion in 2012 to \$90 to \$120 billion in 2025. The emission allowances provide a critically important tool in transitioning the country to a clean energy future.”

Hearing witnesses included: Thomas F. Farrell II, Chairman, President & CEO – Dominion, on behalf of- Edison Electric Institute; Rich Wells - Vice President of Energy, Dow Chemical Co.; Nat Keohane - Economist, Environmental Defense Fund; Rev. Mari Castellanos - Minister for Policy Advocacy, Justice and Peace Ministries, United Church of Christ; G. Tommy Hodges- American Trucking Associations; David Sokol- Chairman of the Board, Mid American Energy Holdings Co.; and David Montgomery - Vice President, Charles River Associates.

Many of the witnesses spoke in support of the proposed legislation, but some urged that the bill be changed to more closely represent the model developed by Reps. Jay Inslee (WA) and Mike Doyle (PA). Others raised concerns about the impacts of the proposed legislation on specific industries. Discussion centered around the allocation mechanisms for specific industries, how to ensure U.S. competitiveness and regional and state equitability, adaptation assistance, the costs, and the impacts on rate-payers and consumers.

More information can be found at: <http://energycommerce.house.gov> .

ENVIRONMENT: GREEN MARKETING PRACTICES ADDRESSED AT SUBCOMMITTEE HEARING

On June 9, 2009, the Commerce, Trade and Consumer Protection Subcommittee of the House Energy and Commerce Committee held a hearing entitled "It's Too Easy Being Green: Defining Fair Green Marketing Practices."

Witnesses included: James Kohm, Director, Enforcement Division, Federal Trade Commission; M. Scot Case, Vice President, TerraChoice and Executive Director, EcoLogo Program; Urvashi Rangan, Director, Technical Policy, Consumers Union; Dara O'Rourke, Associate Professor, University of California Berkeley and co-founder, GoodGuide; and Scott P. Cooper, Vice President, Government Relations, American National Standards Institute.

According to Chair Bobby Rush (IL), the hearing was designed to "take up the truthfulness of 'green' advertiser claims, consumer perception of 'green' claims, and the respective roles of the Federal Trade Commission and privately run certification and labeling programs in regulating and validating these proliferating claims."

Issues and topics discussed included: the roles and responsibilities of the FTC and the update of its Green Guides; the extent to which consumers, manufacturers and advertisers consult and rely on FTC guides; the extent to which the FTC should monitor and/or regulate the placement of claims on products; how the Commission can ensure that "green" labels are useful and informative; the role of the private sector; how vendors of "green" products can differentiate themselves from products that make unsubstantiated claims; and the role of privately run certification and labeling programs.

More information and witness testimony can be found at: <http://energycommerce.house.gov> .

ECONOMY: ECONOMIC ISSUES AFFECTING RURAL COMMUNITIES ADDRESSED AT SUBCOMMITTEE HEARING

On June 10, 2009, the Rural Development, Biotechnology, Specialty Crops, and Foreign Agriculture Subcommittee of the House Agriculture Committee held a hearing on the rural development programs operated by the Agriculture Department and on the status of American Recovery and Reinvestment Act (PL 111-5) funds for those programs. ARRA provided \$4.36 billion in budget authority to rural development in

the form of loans, loan guarantees and grants for broadband development, water related programs, waste disposal efforts, rural home financing and more.

Witnesses and the Committee covered a wide range of programs including the Value Added Producer Grant program, the Farm Bill, and the Rural Business Opportunity Grant program, as well as newer programs established as a result of ARRA, such as the Biorefinery Assistance Program, the Repowering Assistance program, and the Rural Energy for America program.

Some of the issues discussed included: outreach; marketing and technical assistance of various rural programs; the oversight responsibilities of USDA's Inspector General; the challenges of implementing different programs; the accessibility issues that program participants face when participating in different programs; opportunities to strengthen rural programs and efforts; and challenges and opportunities facing Native communities.

The witness list and full witness testimony is available at: <http://agriculture.house.gov> .

EDUCATION: USC REPORT RAISES CONCERNS ABOUT THE LACK OF DATA ON THE STATE'S CHARTER SCHOOLS

According to a May 2009 report, "2009 Charter School Indicators," by The Center on Educational Governance, University of Southern California, California increased its active charter schools from 617 to 678 last year, and now has one-sixth of the nation's charter schools. The report identifies missing data as a significant problem; the report states that California offers no incentives for submitting timely reports, has no check on data completeness, and no penalties for failing to file.

Some of the major findings include:

- the fiscal health of California charter schools is difficult to assess due to limited financial reporting requirements
- California's charter schools continue to outperform traditional public schools in English instruction
- however, charter schools do a worse job than public schools of helping nonnative speakers become fluent, and
- the Academic Performance Index scores of charter schools are generally similar to those of public schools.

The report can be found at: <http://www.usc.edu/dept/education/cegov> .

EDUCATION: EDUCATION OF FOSTER YOUTH REPORT

Education of Foster Youth in California, authored by Stefanie Fricano, was released by the California Legislative Analyst's Office in May 2009.

The LAO report finds that 75 percent of California foster youth perform below grade level standard, and that by third grade, 83 percent of foster youth have to repeat a grade. Major report recommendations include:

- re-prioritizing the way existing funds are spent
- changing guidelines to provide services such as academic counseling
- consolidating programs at County Offices of Education, and
- convening a working group to look at transportation needs of foster youth.

The full report can be found at: http://www.lao.ca.gov/2009/edu/foster_children/foster_ed_052809.pdf

EDUCATION: UC SANTA BARBARA IDENTIFIES ECONOMIC BENEFIT TO REDUCING HIGH SCHOOL DROPOUT RATES

According to an April 2009 report, "How California's Dropout Crisis Affects Communities," by Russell W. Rumberger and Susan Rotermund at the California Dropout Research Project at the University of California, Santa Barbara, California's dropout crisis affects every community in the state; when students drop out of school, they drop into the community where they live. Findings indicate that dropouts have:

“higher rates of unemployment; lower earnings; poorer health and higher rates of mortality; higher rates of criminal behavior and incarceration; and increased dependence on public assistance.”

The report identifies the severity of the dropout problem in local communities throughout California and assesses the economic losses that are generated, as well as estimating the economic and public safety benefits of reducing dropouts.

The full report can be found at: http://lmri.ucsb.edu/dropouts/pubs_cityprofiles.htm .

HEALTH: RAND REPORT EXAMINES IMPLICATIONS OF PRISONER REENTRY ON PUBLIC HEALTH

On June 10, 2009, RAND released a report entitled “Understanding the Public Health Implications of Prisoner Reentry in California: Phase I Report,” authored by Lois M. Davis, Nancy Nicosia, Adrian Overton, Lisa Miyashiro, Kathryn Pitkin Derose, Terry Fain, Susan Turner, Paul Steinberg, and Eugene Williams, III. The report was submitted to the Senate Judiciary Subcommittee on Crime and Drugs for its hearing on "Exploring the National Criminal Justice Commission Act of 2009."

Some of the findings in the report are:

- reentry population health care needs are high, and mental health care and substance abuse needs are even higher
- certain counties and communities are disproportionately affected by reentry
- access to safety-net resources varies substantially, and in all three of the large urban counties -- Alameda, Los Angeles, and San Diego -- most parolees resided in areas with the lowest levels of accessibility to general acute care hospitals, with Alameda County having the largest share of parolees in the lowest accessibility areas.

The authors concluded that this clustering of parolees must be considered in terms of developing strategies to provide health care services and other resources to parolees and to better link this population to needed services. Also, the fact that parolees in more rural counties tend to be more dispersed suggests to the authors that a different strategy for providing health care services to these individuals is needed. Moreover, policies must better integrate the different networks of substance abuse services and other safety net services available to parolees.

To view the full report, go to: http://www.rand.org/pubs/technical_reports/TR687/ .