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

**APPROPRIATIONS: HOUSE PASSES FY10 DEFENSE APPROPRIATIONS; INCLUDES SEVERAL UNRELATED PROGRAM EXTENSIONS**

On December 16, 2009, the House passed H.R. 3326, the FY 2010 Appropriations for the Department of Defense. The vote was 395-34. Included in the bill were several provisions to extend certain programs and to stimulate the economy. The program extensions run only until the end of February 2010, however, assuring that Congress will have to deal with them again early in the new year.

The bill provides $636.3 billion for the Department of Defense, as opposed to the $640.1 billion requested by the Administration, but higher than the $631.9 billion enacted in FY09.

The non-defense provisions attached to the bill include:

- **Small Business Loans**: Allows the Small Business Administration (SBA) to continue two temporary enhancements to its loan guarantee program through February 28, 2010 to make loans more attractive to borrowers and lenders and to free up capital, with one raising the percentage of loan amounts that the SBA can guarantee to 90%; the other allows it to waive or reduce loan fees.

- **Patriot Act**: Extends authorizations through February 28, 2010.

- **Medicare Physician Payments Extension**: Delays, through February 28, 2010, a scheduled 21.2% cut in Medicare physician payments.

- **Surface Transportation Authorization Extension**: Extends the authorization for the highway, transit, highway safety and motor carrier safety programs of the Department of Transportation until February 28, 2010.

- **Unemployment Insurance**: Extends expanded unemployment benefits, including increased payouts and longer duration of benefits, through February 28, 2010.

- **Healthcare Premium Subsidy Extension**: Extends through February 28, 2010 the 65% COBRA health insurance subsidy for individuals who have lost their jobs. The job lost eligibility date is also extended.

- **Nutrition Assistance**: Includes language ensuring the Supplemental Nutrition Assistance Program (SNAP) will have sufficient funding to meet the growing demand for nutrition assistance from modest-income families and provides $400 million in additional funding for state administrative expenses, to
speed up processing of applications. SNAP participation increased 18% in the last year to over 37 million people.

- **Assistance Eligibility**: Freezes Department of Health and Human Services (HHS) poverty guidelines at 2009 levels through February 28, 2010 in order to prevent a reduction in eligibility for certain means-tested programs, including Medicaid, Supplemental Nutrition Assistance Program (SNAP), and child nutrition.

The Senate is expected to consider the appropriations bill before the end of the week.

More information can be obtained at:

**ECONOMY: HOUSE PASSES ANOTHER STIMULUS BILL**

In a close vote of 217-212, the House passed a $154 billion jobs bill (HR 2847) on December 16, 2009. The Senate, however, is not expected to consider the bill this year, and may craft its own version after reconvening in 2010.

The Jobs for Main Street Act redirects $75 billion from recovered TARP funds to transportation and education programs, and extends several other programs aimed at creating jobs and helping those hit hardest by the recession. The bill’s provisions are:

- **Highways, Transit and Other Infrastructure** ($48 Billion)
  - Highways & Transit – $35 billion is provided for highways and mass transit.

- School Renovation – provides $4.1 billion to allow State, local, or tribal governments to receive a federal grant equal to the cost of tax credits that would otherwise be payable on bonds issued to finance school construction, rehabilitation or repair.

- Clean Water – Provides $2 billion to build facilities for clean and safe water, including $1 billion for the Clean Water State Revolving Fund and $1 billion for the Safe Drinking Water State Revolving Fund. Half of the funds will include additional subsidies, such as principal forgiveness and grants, to make it easier for more communities to access the programs.

- Bureau of Reclamation – $100 million to provide clean, reliable drinking water to rural areas and to ensure adequate water supply to areas impacted by drought.

- Housing – provides $2 billion to build, preserve, and rehabilitate affordable rental homes for very low-income households and for repairs and rehabilitation of public housing.

- **Hiring of Teachers, Police, Firefighters & Job Training** ($27 Billion)
  - Education – Includes $23 billion for an Education Jobs Fund focused on paying salaries. It is estimated that this will save or create an estimated 250,000 education jobs over the next two years. Funds can also be used to modernize, renovate, and repair public education facilities.

- Police & Firefighters – Provides $1.8 billion to put over 5,000 law enforcement officers on the beat and invest in hiring and retaining firefighters, and $500 million to retain, rehire, and hire firefighters.

- Training – Provides about $2 billion for other hiring and training programs, to support 25,000 more Americorps volunteers and 250,000 youth summer jobs; to expand college work study jobs for 250,000
students; and to support job training for 150,000 people in high growth industries, such as health care and clean energy jobs, at community colleges.

**Small Business**
The package extends several Recovery Act initiatives aimed at helping America’s small businesses create jobs:
- eliminates fees on Small Business Administration (SBA) loans to make them more affordable for small businesses, and
- encourages banks to lend to small businesses by raising to 90 percent (from 85 percent) the portion of a loan that the Small Business Administration will guarantee.

**Emergency Relief to Families Hit by the Recession** ($79 billion)
- Unemployment Benefits -- Extends emergency unemployment benefits through June of 2010. The program expires at the end of the year and without an extension, roughly one million Americans will lose their emergency benefits in January 2010.
- Help with Health Insurance for Unemployed Workers (COBRA) -- Extends through June 30, 2010 the 65 percent subsidy to help the unemployed continue COBRA health coverage. (It makes these benefits available for people who were involuntarily separated from their jobs through June 30, 2010 and extends the months of help from 9 months to 15 months.)
- Medicaid (FMAP) -- Extends the provisions in the Recovery Act that provide the states with additional federal matching funds for Medicaid for six months -- from December 31, 2010 to June 30, 2011.
- Child Tax Credit – Makes the Child Tax Credit available to all low-income working families with children in 2010. (Under the Recovery Act, families must earn at least $3,000 in order to begin to take advantage of the $1,000 Child Tax Credit.).

**Other Provisions**
Energy Innovation Loans -- provides $2 billion for the Department of Energy Innovative Technology Loan Guarantee Program, to promote the rapid deployment of renewable energy and electric transmission projects.

Surface Transportation Authorization Extension -- Extends the authorization for the highway, transit, highway safety and motor carrier safety programs of the Department of Transportation until September 30, 2010. In addition, the bill includes language that provides 100% federal share for the transportation programs authorized in the bill, repeals the provision that prohibits Highway Trust Fund balances from earning interest, and restores $20 billion to the Highway Trust Fund.

Neither this bill nor the DoD appropriations bill (see story above) contain a provision to prevent the estate tax from expiring for a one year period beginning January 1, 2010. The House has passed a bill, HR 4154, that would prevent the expiration and set the estate tax exemption at $3.5 million and the top tax rate on larger estates at 45 percent. But the Senate has not taken action and attempts in the past few days to negotiate a deal have failed.

For more information, go to: [http://appropriations.house.gov](http://appropriations.house.gov).

**Homeland Security: Governors’ Request Extension of REAL ID Deadline**
The National Governors Association sent a letter on December 16, 2009 to Homeland Security Secretary Janet Napolitano requesting a delay in the implementation of the REAL ID standards for driver’s licenses. The states face a December 31, 2009 deadline for complying with the standards, but very few are ready or able to comply, and several states have passed legislation or resolutions declining to participate in the program. They argue that compliance would be an onerous and expensive burden. Implementing the legislation would cost the states an estimated $4 billion.

The Governors warn in their letter that without an extension American citizens will not be able to use their current state driver’s licenses to board commercial airplanes starting January 1, 2010. “Our citizens should not be punished for the failings of Real ID and the inability of Congress to act. We request that you extend the current compliance deadline to ensure our citizens can continue to use their driver’s licenses at airports,” the letter states.
Congress is considering alternative legislation called PASS ID (S. 1261), which would be less expensive and burdensome, but action on the bill has not been taken. And, on December 14, several key Republicans, including Rep. Darrell Issa (Vista), sent a letter to House Appropriators warning against adding the PASS ID language or any extension of the REAL ID deadline to last minute bills moving through the House. At a hearing earlier this year, Secretary Napolitano indicated that she did not want to extend the deadline, preferring to keep the pressure on Congress to pass alternative legislation.

REPORTS: CCSCE RELEASES CALIFORNIA COUNTY PROJECTIONS 2009/10


The report concludes that California is becoming an “average state in terms of job growth with long-term job growth at best only slightly faster than the national average.” However, that average job growth will be enough to support state populations increases of nearly 500,000 residents per year. Also, the report avers, the changing age profile of growth will affect California’s labor and housing markets over the next ten years. Baby boomers will begin to retire. Over 50% of the state’s population growth will be in the 55+ age groups and another 20% will be in the 20-35 age groups. There will be little growth in the 35-54 age groups after two decades of substantial increases, according to the report.

The report also finds that the San Joaquin Valley will become the fastest-growing region between 2008 and 2018, adding nearly 750,000 residents. The Sacramento Valley will be the second-fastest-growing region, with the Sacramento region becoming the third-fastest-growing region. The largest numerical growth will be in the Los Angeles Basin and San Francisco Bay Area, with 3.1 million new residents.

For more information on the report and its outlook for the California economy, go to: http://www.ccsce.com.

REPORT: NEXT 10 REPORT SHOWS SACRAMENTO LEADING GREEN JOBS

Next 10 and Collaborative Economics released the report Many Shades of Green: Diversity and Distribution of California’s Green Jobs, on December 9, 2009, which shows that the Sacramento region leads green job growth with an 87 percent increase, while in the Los Angeles region energy efficiency jobs grew by 77 percent, and that the Bay Area has the largest number of energy generation jobs (roughly 7,000). The San Joaquin Valley green jobs concentration in alternative fuels is three times the state average. Orange County green transportation jobs grew 1,875 percent including alternative fuels and motor vehicles and equipment. Finally, Inland Empire energy generation jobs grew by 85 percent with high concentrations in solar and wind.

Overall, the report finds that California green jobs increased by 36% from 1995-2008 while total jobs expanded only 13%. As the economy slowed between 2007-2008, total employment fell 1%, but green jobs continued to grow by 5%, according to the study.

Other findings include:
- Manufacturing represents 21 percent of all green jobs, and grew 19 percent, while manufacturing represents only 11 percent of all jobs in California (January 2008.) Half of all manufacturing jobs are split between Energy Efficiency and Energy Generation.
- Services accounted for 45 percent of all California green jobs, the largest portion in Environmental Consulting.
- With nearly 43,000 jobs in 2008, Air & Environment is the largest of California’s green segments. While this segment’s jobs remained steady, hovering around 35,000 from 1995-2005, since 2005 the number of green jobs in this segment has increased 24 percent.
- From 1995-2008, Energy Generation employment expanded 61 percent by nearly 10,000 jobs. Solar makes up the largest portion, and strongest growth (63 percent).
- Employment in Energy Efficiency increased 63 percent from 1995-2008.
- Employment in Green Transportation has increased 152 percent since 1995.
- Green Transportation Jobs are primarily in Motor Vehicles & Equipment and Alternative Fuels, with the latter growing faster at 201 percent, and representing 48 percent of all jobs in this segment.
- Green Logistics is an emerging field, only in the Bay Area at present, with employment growing by 1144 percent since 1995.

To obtain the report, go to: http://www.next10.org.

REPORT: PPIC RELEASES NEW STATEWIDE SURVEY

On December 17, 2009, the Public Policy Institute of California released its latest Statewide Survey: Californians and Their Government. Highlights of the Survey include:
- Former eBay CEO Meg Whitman leads the GOP gubernatorial primary field among likely voters with 32 percent support, compared to 12 percent for former Congressman Tom Campbell and 8 percent for state Insurance Commissioner Steve Poizner. But the highest percentage of likely GOP voters – 44 percent – is undecided.
- In hypothetical head-to-head matchups for the November general election, the prospective Democratic candidate and current state Attorney General Jerry Brown beats all three Republicans, but with less than majority support.
- Half of voters (49%) view a candidate more positively for using mostly money from supporters in a campaign, and 39 percent hold a more positive view of a candidate who uses his or her own money. Pluralities of Republicans (55%), independents (50%), and Democrats (46%) view a candidate who uses supporters’ money more positively.
- California’s likely voters are evenly split on whether it’s more important for a candidate to have experience in elected office (43%) or running a business (43%), with Democrats (60%) and liberals (63%) valuing experience in office, and Republicans (61%) and conservatives (61%) valuing experience in business.
- Most Californians (61%) approve of the way President Obama is handling his job. But only 31 percent say his economic policies have made economic conditions better, with 42 percent saying his policies have made no difference and 21 percent saying they’ve made economic conditions worse.
- They give Congress a 38 percent approval rating, with about half (51%) approving of the job their own member of the U.S. House is doing.
- Half of Californians support proposed changes to the health care system (52% vs. 39% opposed). Their support declines sharply with age and is lowest among those 65 and older (42%). Californians are more supportive (61% vs. 33% opposed) of creating a government health insurance plan to compete with private insurers.

To view the full survey, go to: http://www.ppic.org.

REPORT: PEW HISPANIC CENTER STUDIES YOUNG LATINOS IN U.S.

The Pew Hispanic Center released a report on December 11, 2009, entitled Between Two Worlds: How Young Latinos Come of Age in America. The report is based on the 2009 National Survey of Latinos, which was conducted from Aug. 5 through Sept. 16, 2009, among a randomly selected, nationally representative sample of 2,012 Hispanics ages 16 and older, with an oversample of 1,240 Hispanics ages 16 to 25.

Most Latino youths, the report states, are not immigrants; two-thirds were born in the United States. As a result, according to the report, they do better their foreign-born counterparts on many key economic,
social and acculturation indicators. For instance, they are much more proficient in English and are less likely to drop out of high school, live in poverty or become a teen parent. However, on a number of other measures, U.S.-born Latino youths do no better than the foreign born. And on some fronts, they do worse, the report concludes.

For example, native-born Latino youths are about twice as likely as the foreign born to have ties to a gang or to have gotten into a fight or to have carried a weapon in the past year. They are also more likely to be in prison. “The picture becomes even more murky when comparisons are made among youths who are first generation (immigrants themselves), second generation (U.S.-born children of immigrants) and third and higher generation (U.S.-born grandchildren or more far-removed descendants of immigrants). For example, teen parenthood rates and high school dropout rates are much lower among the second generation than the first, but they appear higher among the third generation than the second. The same is true for poverty rates.”

Latinos make up about 18% of all youths in the U.S. ages 16 to 25. Their share, however, is far higher in a number of states. New Mexico has the highest concentration of Latino youths with 51% of all its youths. California is number two with 42% of its youths Latinos. Latino youths account for 40% of all youths in Texas, 36% in Arizona, 31% in Nevada, 24% in Florida, and 24% in Colorado.

To obtain the report, go to: http://www.pewhispanic.org