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 and other information that directly impacts the state. Bulletins are published weekly during sessions of Congress, and occasionally during other periods.

RESOURCES: SUBCOMMITTEE CONSIDERS

CALIFORNIA WATER RECYCLING LEGISLATION

On April 27, 2010, the Water and Power Subcommittee of the Senate Energy and Natural Resources Committee held a hearing on pending water and recycling bills, several of which are of importance to California. Witnesses included: Kira Finkler, Deputy Commissioner for External and Intergovernmental Affairs, Bureau of Reclamation, Department of the Interior; and Tim Quinn, Executive Director, Association of California Water Agencies, Sacramento.

Among the bills considered were:
- S. 1138/H.R. 2442, which would amend the Reclamation Wastewater and Groundwater Study and Facilities Act to expand the Bay Area Regional Recycling Program. Tim Quinn of ACWA supported the legislation, stating it would enable the San Francisco Bay Area Recycle Water Coalition (BARWC) to build six new projects and fully fund two previously authorized projects. The six new projects would generate over 8,000 acre-feet per year of new sustainable water supply, reduce wastewater discharges to aquatic environments, and reduce the demand for limited fresh water from the fragile Bay-Delta system. He indicated that the Bay Area Recycle Water Coalition is requesting that the bill be amended to include three BARWC projects that joined the coalition since the House companion bill H.R. 2442 was introduced a year ago.
- H.R. 637, the South Orange County Recycled Water Enhancement Act, which would authorize Interior in cooperation with the city of San Juan Capistrano, to participate in the design, planning and construction of an advanced water treatment plant facility and recycled water system. According to Quinn, this project supports state efforts to improve water supply and reliability by reducing the amount of reusable water being discharged to the ocean, while creating a new source of water that does not place a burden on the limited imported water supply from the California Aqueduct System and the Colorado River Basin. ACWA supports the bill.
- HR 2522 which would raise the ceiling on the federal share of the cost of the Calleguas Municipal Water District Recycling Project. Quinn voiced support for the legislation, and indicated that the bill will authorize Bureau of Reclamation support for Phases 2 and 3 of the Calleguas Municipal Water District
During the markup, Rep. John Campbell (Irvine) offered two amendments which were adopted by voice vote. Campbell, a co-sponsor of the bill, said: “The Federal government’s response to Hurricane Katrina has unfortunately created an expectation that the government will provide similar financial assistance in future disasters. This bill would instead give states, including my home state of California, the tools to set up effective disaster insurance programs by sharing risks across the country.” Another amendment, offered by Rep. Ed Royce (Fullerton), was defeated by a vote of 27-38.

For more information, go to: http://financialservices.house.gov.

NATURAL DISASTER ISSUES: FINANCIAL SERVICES MARKS UP DISASTER INSURANCE BILL

On Tuesday, April 27, 2010, the House Financial Services Committee favorably reported H.R. 2555, the Homeowners’ Defense Act, by a vote of 39-26. The legislation is aimed at reducing insurance premiums for homeowners purchasing coverage for national catastrophes, including earthquakes. The bill, authored by Rep. Ron Klein (FL) and co-sponsored by more than 70 others, as well as several Californians, allows states that choose to participate a national catastrophe insurance pool aimed at driving down coverage costs.

Title II of the bill would allow the California Earthquake Authority replace much of its current reliance on expensive reinsurance with the ability to access the private debt (bond) market. All funds borrowed under a federal guarantee would be repaid over time by the CEA after a major event. The savings that CEA would realize by reducing its reinsurance expenses would be passed through to consumers. It is estimated that current rates would be reduced by about 35 percent. If H.R. 2555 becomes law, CEA modeling indicates that the probability of borrowing funds would be quite low – between 0.5 and 1 percent – minimizing the need for even a temporary premium increase necessary to repay any federally guaranteed debt.

The provisions of Title II are also included in two free-standing bills: H.R. 4014, authored by Rep. Loretta Sanchez (Anaheim), and S. 886, co-sponsored by Sens. Dianne Feinstein and Barbara Boxer.

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SCIENCE AND R&D: AMERICA COMPETES ACT REPORTED OUT

On April 28, 2010, the House Science and Technology Committee (Chairman Gordon, TN) approved an amendment in the nature of a substitute to H.R. 5116, the America COMPETES Reauthorization Act of 2010 by a vote of 29 to 8. The bill makes investments in science, innovation, and education in an effort to strengthen U.S. scientific and economic leadership, support employers, and create jobs in the short-, mid-, and long-term.

According to Chairman Gordon, in the short-term, programs like the Innovative Technology Federal Loan Guarantees address the immediate need of small- and medium-sized manufacturers to access capital to make necessary updates to become more efficient and stay competitive. In the mid-term, programs like Regional Innovation Clusters will strengthen regional economies and advance the work done in a given field by leveraging collaboration and communication between businesses and other entities. To ensure scientific and technological leadership over the long-term, the bill makes investments in basic research through reauthorization of the Department of Energy (DOE) Office of Science, the National Science Foundation (NSF), and the National Institute of Standards and Technology (NIST).

The bill also includes reauthorization of the Advanced Research Projects Agency for Energy (ARPA-E) to pursue high-risk, high-reward energy technology development, and authorization of Energy Innovation Hubs to help advance the U.S.’s transition to a clean energy economy, and support the growth of new sectors of the economy and the jobs that come with them.

Over 140 organizations have endorsed the legislation including the U.S. Chamber of Commerce, the National Association of Manufacturers, the Business Roundtable, the Council on Competitiveness, the Association of American Universities, the Association of Public and Land-Grant Universities, the National Venture Capital Association, TechAmerica, and the Biotechnology Industry Organization.

The Committee approved an amendment that lowered the authorization levels in the base text by just over 10 percent. Nevertheless, the legislation still maintains a path toward doubling; the modified text will double authorized funding over ten years based on the 2007 appropriated funding levels.

More information can be found at: http://science.house.gov.

HOUSING: EFFORTS TO PRESERVE PUBLIC HOUSING DISCUSSED BY SUBCOMMITTEE

On April 28, 2010, the Housing and Community Opportunity Subcommittee, chaired by Rep. Maxine Waters (Los Angeles), of the House Financial Services Committee held a hearing on legislative proposals to preserve public housing. Witnesses included The Honorable Sandra Henriquez, Assistant Secretary for Public and Indian Housing, U.S. Department of Housing and Urban Development, and a range of affordable housing stakeholders and advocates.

According to Assistant Secretary Henriquez, public and assisted housing is a critically important resource for 4.6 million families. Many of these families, including 70% of public housing residents, have extremely low incomes, and the demand for safe, decent, affordable housing far exceeds the supply. Much of the federally-assisted housing portfolio is over thirty years old, and Henriquez indicated that HUD is losing units at a rapid rate. "Since the mid-90's over 150,000 public housing units have been lost, primarily as a result of deterioration," she stated. "Public housing authorities (PHAs) have had little choice but to either demolish or dispose of units that were unsalvageable. The Public Housing program is wrestling with an old physical stock and a backlog of unmet capital needs that may exceed $20 billion."

Witnesses discussed proposed legislation to address the challenges facing public housing, including Chairwoman Waters bill, the Public Housing One-for-One Replacement and Tenant Protection Act of 2010. The bill is aimed at stemming the loss of public housing and protecting the voice of tenants in local land-use and development decisions. Committee Chair Barney Frank (MA) also recently introduced legislation to address public housing problems, the Housing Preservation and Rehabilitation Act of 2010. Henriquez testified that in concept, the Administration supports the intent of these legislative proposals.

Assistant Secretary Henriquez also discussed a new HUD program called Transforming Rental Assistance (TRA). According to Henriquez, TRA would help preserve public housing for the long term by
providing subsidies similar to project-based vouchers and project-based Section 8, thereby allowing housing agencies to obtain more private financing than existing public housing subsidies do, and by modestly increase funding for public housing units to a level that would be closer to the subsidies in the voucher and project-based Section 8 programs.

More information can be found at: http://www.house.gov.

RESOURCES: WITNESSES, SUBCOMMITTEE DISCUSS SAN FRANCISCO ESTUARY

On April 28, 2010, the Water Resources and Environment Subcommittee of the House Transportation and Infrastructure Committee held a hearing on protecting and restoring America’s great waterways. The hearing focused specifically on the Columbia River and the San Francisco Bay Estuary. Witnesses included: Rep. Jackie Speier (Hillsborough); Ms. Nancy Stoner, Deputy Assistant Administrator, U.S. Environmental Protection Agency; Supervisor John Gioia, Contra Costa County Board of Supervisors; Mr. Jim Wunderman, President and Chief Executive Officer, Bay Area Council; and Ms. Judy Kelly, Executive Director, San Francisco Estuary Partnership.

Witnesses and the committee discussed the status and importance of the San Francisco Bay Estuary. The estuary, which is the largest on the West Coast, provides drinking water to 23 million Californians and irrigates 4.5 million acres of farmland. It supports a number of economic activities in the region, including commercial and recreational fishing, shipping, industry, recreation, tourism, and agriculture, and is crucial to half of the birds that migrate along the Pacific Flyway and about two-thirds of the State’s salmon passing through the estuary. The EPA rates the San Francisco Bay Estuary’s overall condition as fair based on the EPA National Coastal Assessment’s four indices of estuarine condition: water quality; sediment quality; benthic conditions; and fish tissue contaminants.

Congresswoman Speier urged the Committee to support her bill, H.R. 5061, the San Francisco Bay Improvement Act of 2010. The legislation would authorize $100 million annually for 10 years to the EPA to fund San Francisco Bay restoration efforts.

More information can be found at: http://transportation.house.gov/.

EDUCATION: HEARINGS CONTINUE ON ESEA REAUTHORIZATION

On April 28 and April 29, 2010, the Senate Health, Education, Labor and Pensions Committee (Chairman Harkin, IA) held two more hearings on the reauthorization of the Elementary and Secondary Education Act. The topics of the hearings were Standards and Assessments and Meeting the Needs of Special Populations, respectively. Witnesses for the hearings represented stakeholder organizations and agencies.

During the Standards and Assessments hearing, witnesses discussed the successes and failures of No Child Left Behind, and the opportunities for improving standards and educational outcomes during the reauthorization of ESEA. Witnesses discussed new standards and methods for assessing educational achievement. Chairman Harkin raised concerns that students requiring a remedial reading course when they enter college are almost three times as likely to drop out before attaining a bachelor’s degree.

He also highlighted the costs associated with remedial training and education as a reason to increase standards and improve assessments through the reauthorization of the ESEA. “The Alliance for Excellent Education has estimated that this need for remediation costs our nation at least $3.7 billion a year. The problem is also evident in the workforce. A recent study estimated that over 50 percent of high school graduates do not have the skills to do their job, compared to less than 20 percent of college graduates,” he stated. "So while the adoption of state standards was no small achievement in NCLB, it is clear that as we reauthorize this bill serious improvements are necessary. We must ensure that the standards states set are not false benchmarks, but translate into success whether students chose to go to college or enter a career."

During the Meeting the Needs of Special Populations hearing, witnesses and the committee discussed the importance of providing students with special needs support such as extra tutoring, therapy, or other accommodations that allow them to access academic material and demonstrate the knowledge. The importance of offering ESL and other language proficiency programs to special needs students was also
discussed. Particular attention during the hearing was paid to the challenges faced by disabled students, homeless students and migrant students. Witnesses discussed model programs and services aimed at serving those student populations.

On May 4, 2010, the Committee will hold another hearing on the ESEA reauthorization focusing on Improving America’s Secondary Schools.

For more information, visit: http://help.senate.gov

REPORT: PPIC RECOMMENDS HIGHER EDUCATION MASTER PLAN UPDATE, RAISE ELIGIBILITY GOALS

A report released this month by the Public Policy Institute of California (PPIC) recommends that California’s 50-year-old Master Plan for Higher Education should be updated to increase the number of high school graduates eligible for the University of California and California State University admission, and it should also add explicit goals for raising college graduation rates.

The Master Plan defined a strategy for California’s public higher education systems to meet the state’s challenges in 1960. According to the PPIC, California faces a new set of challenges. By 2025, the state will have one million fewer college educated workers than the economy will require. Updating the Master Plan is crucial to closing this skills gap, according to PPIC. The report, Higher Education in California: New Goals for the Master Plan, proposes that the plan:

- Raise eligibility goals for UC and CSU so that by 2025, the top 15 percent of the state’s high school students would be eligible for UC, up from 12.5 percent today. The top 40 percent would be eligible for CSU, up from 33 percent today.
- Set explicit goals to increase community college transfers to CSU and UC.
- Add specific goals for college completion and the number of years it takes to get a degree.

To implement the proposed changes to the Master Plan, the report recommends that the state set specific goals, identify how to fund these goals, and measure progress toward reaching them. Funding should be aligned so that higher education institutions are rewarded for meeting benchmarks.

For more information, go to: www.ppic.org .

REPORT: RAND ENCOURAGES CONGRESS TO PROMOTE RIGOROUS ACADEMIC STANDARDS, TEACHER QUALIFICATION REQUIREMENTS

According to a new RAND report, Congress and the Obama administration should use the upcoming reauthorization of the No Child Left Behind Act of 2001 to promote more consistent and rigorous academic standards across states, as well as more consistent and relevant teacher qualification requirements.

Following several years of study and evaluation on the impact of the No Child Left Behind law on teachers, schools, school districts, and states, RAND has issued recommendations for the upcoming reauthorization. This is the final report in a series of studies and is the only national evaluation of No Child Left Behind undertaken for the U.S. Department of Education. The major recommendations include the following:

- Expand the focus from just two academic areas – reading and mathematics – to include others, including science, social studies, and the arts.
- Eliminate the requirement that all schools achieve 100 percent proficiency by 2014.
- Maintain the school choice option, but Congress should recognize that it is very unlikely that it will provide a means for families to gain a better education for their children.

In addition, RAND recommends several strategies to achieve these goals. The full report is available at: http://www.rand.org .
REPORT: DEMOGRAPHIC RESEARCH UNIT REPORTS ON COUNTY AND STATEWIDE POPULATION, EDUCATION ENROLLMENT, BIRTH RATE

The Demographic Research Unit of the California Department of Finance released four new reports on population, education enrollment, and birth rate:
- California County Population Estimates and Components of Change by Year - July 1, 2000-2009;
- California Public K-12 Graded Enrollment and High School Graduate Projections by County, 2009 Series; and

Highlights from California County Population Estimates and Components of Change by Year - July 1, 2000-2009 are:
- California added 393,000 new residents in 2009, putting the state’s January 1st population total at 38,648,000;
- The City of Fresno topped 500,000 in population during 2009;
- California's statewide housing growth in 2009 reflects the downturn in the housing industry by only adding 62,385 housing units;
- Los Angeles has reached a population of 4,094,764, growing by more than 44,000 persons during the year – a rate more than twice the growth of California's second largest city, San Diego.
- Since the April 1, 2000 census, the top four fastest growing California cities have more than doubled in size, including Lincoln in Placer County (267 percent), Beaumont and Murrieta in Riverside County (201 percent and 129 percent respectively), and Brentwood in Contra Costa County (125 percent).

All four reports can be obtained at: http://www.dof.ca.gov/research/demographic/reports/.