ELECTIONS: HOUSE AND SENATE CHOOSE LEADERSHIP FOR 112TH CONGRESS

On November 17, 2010, the House Republicans and Democrats chose their leadership slates for the 112th Congress. As expected, Republicans chose Rep. John Boehner (OH) as their nominee for Speaker and he is expected to take the gavel from current Speaker Nancy Pelosi (San Francisco) when the new Congress convenes on January 5, 2011. Rep. Eric Cantor (VA) was chosen as Majority Leader, and California’s Rep. Kevin McCarthy (Bakersfield) was nominated for Majority Whip, the number three spot in the leadership. Rep. Jeb Hensarling (TX) was selected for Republican Conference Chair. Rep. David Dreier (San Dimas), who is expected to become Chair of the Rules Committee, was selected as the Republican’s Rules Committee representative.

The House Democrats voted to keep the same leadership team in the 112th Congress, when they become the minority. Rep. Pelosi won the election for Minority Leader, and Rep. Steny Hoyer (MD) will become Minority Whip. The Democratic Caucus created a new position, Assistant Leader, to ensure Rep. Jim Clyburn (SC) stayed in the top leadership ranks. Rep. John Larson (CT) was chosen as Caucus Chairman and Rep. Xavier Becerra (Los Angeles) will serve as Caucus Vice Chairman.

Rep. Dreier has also been chosen by his California Republican colleagues to head the California Republican Delegation. Dreier has served as head of the California Republicans since 2001. Rep. Zoe Lofgren (San Jose) has led the California Democrats for the last several years. The Democrats will hold their election for the position at the beginning of the new Congress.

On the Senate side, on November 16, 2010, the Democrats and Republicans voted to stick with the same leadership teams that led them in the 111th Congress. Sen. Harry Reid (NV) will remain Majority Leader. Rounding out Reid’s team will be Majority Whip Richard J. Durbin of Illinois, Caucus Vice Chairman Charles E. Schumer of New York and Conference Secretary Patty Murray of Washington. On the Republican side, Sen. Mitch McConnell (KY) will remain Minority Leader, joined by Minority Whip Jon Kyl (AZ), Conference Chairman Lamar Alexander (TN), Policy Committee Chairman John Thune (SD), and Conference Vice Chairman John Barrasso (WY).
Immigration: FY 2010 SCAAP Awards Announced

The Department of Justice Bureau of Justice Assistance in October 2010 announced the State Criminal Alien Assistance Program awards for Fiscal Year 2010. SCAAP provides federal payments to states and localities that incurred correctional officer salary costs for incarcerating undocumented criminal aliens with at least one felony or two misdemeanor convictions for violations of state or local law, and incarcerated for at least 4 consecutive days during the relevant reporting period.

Congress appropriated $330 million for SCAAP in the FY 2010 Consolidated Appropriations Act (H.Rpt.111-366/P.L. 111-117) enacted in December 2009. The FY09 funding for SCAAP was $400 million (P.L. 111-8); thus, the 2010 awards are lower than last year’s.

The State will receive $88,106,548 in 2010, compared to the $112,501,838 it received in 2009. The total received by the State and local jurisdictions for 2010 is $128,912,402.

Some major 2010 awards for California counties are:
- Los Angeles County - $14,292,913
- San Diego County - $2,218,643
- Orange County - $5,287,229
- Sacramento County - $1,723,019
- Santa Clara County - $1,591,662
- San Bernardino County - $1,577,422
- San Mateo County - $1,413,857
- Tulare County - $1,300,509

The California Institute has compiled a table showing the local and state awards, which is available at: http://www.calinst.org/pubs/10SCAAPAwards.xls

For further information on the program and to see all of the FY10 SCAAP awards, go to: http://www.ojp.usdoj.gov/BJA/grant/scaap.html.

Immigration: CA Supreme Court Rules Undocumented Students Eligible For In-State Tuition

The California Supreme Court ruled unanimously on November 15, 2010 to allow all students to continue to pay in-state tuition rates at California's public universities if they have attended a state high school for three years and have graduated, regardless of their legal status.

The case, Martinez v. Regents, challenged the 2001 California Immigrant Higher Education Act (AB 540). The California Supreme Court concluded that the state's method of giving qualified illegal immigrant students in-state tuition rates met all requirements established by federal law. The court found that even though the federal government has established some restrictions on state power, states retain the legal capability to enable undocumented students to have access to college education. The California Immigrant Higher Education Act remains in effect in the state.

For more information visit: http://www.courtinfo.ca.gov/.
RESOURCES: SENATE COMMITTEE HOLDS HEARING ON THE WATER RESOURCES DEVELOPMENT ACT OF 2010

On November 17, 2010 the Senate Committee on Environment and Public Works (Chair Barbara Boxer) held a hearing entitled “Water Resources Development Act of 2010: Legislative and Policy Proposals to Benefit the Economy, Create Jobs, Protect Public Safety and Maintain America’s Water Resources Infrastructure.” Witnesses included: Steve Verigin, GEI Consultants Inc. and the National Committee on Levee Safety; Lawrence Roth, ARCADIS U.S. Inc and American Society of Civil Engineers; Matt Woodruff, Inland Waterways Users Board; and Jim Weakley, Lake Carriers’ Association.

In her remarks during the hearing, Chairwoman Boxer expressed support for S. 3213, bipartisan legislation which would ensure that revenues collected for the Harbor Maintenance Trust Fund be used for harbor maintenance activities. The California Marine Affairs and Navigation Conference (CMANC) also supports the legislation, and has noted that a major percentage of Harbor Maintenance Trust Fund fees come from California ports. Sen. Boxer indicated that she would like to see this legislation incorporated into the Water Resources Development Act reauthorization and hoped that WRDA could move forward with bipartisan support, as was the case with the 2007 WRDA bill.

Steve Verigin advocated for a National Levee Safety Program to be incorporated into the Water Resources Development Act of 2010. According to Verigin, the program would strengthen the current work to upgrade the levee system in California, a state with one of the nation’s highest flood risks.

Throughout the Central Valley of California, levees provide essential protection for both urban and rural lands, preventing possible catastrophic flooding and loss of life. The Central Valley levee system is 1,600 miles in length and protects over 600,000 people and $50 billion in infrastructure. At the downstream end of the system lies the Sacramento-San Joaquin Delta. Many levees are also vulnerable to earthquake damage that would severely interrupt water deliveries for 24 million Californians.

In recent years, the State of California and local agencies have developed the capability to construct major levee repair and improvement projects with funding from $4.9 billion in state bonds and local property assessments approved by California voters. Mr. Verigin argued that the $4.9 billion in state bond funds is far from adequate to meet the need to repair levees and make improvements to the system to be compliant with national standards. According to Mr. Verigin, implementation of a National Levee Safety Program will greatly assist California in inventorying and assessing the condition of all of the state’s estimated 14,000 miles of levees.

ARCADIS is the independent consultant for the Bay Delta Conservation Plan for California’s Delta Stewardship Council. Mr. Roth testified on behalf of ARCADIS, asserting that many privately built levees are deeded to local governments or associations, which do not maintain them or even recognize the risks. Mr. Roth advocated for increased funding to the states for water resource planning.

Senator Boxer asked Mr. Roth to expand on the benefits that citizens can expect for cities across the country, including Sacramento, if Congress moves forward on a National Levee Safety Program. Mr. Roth responded that the current system was not designed or constructed according to the current standards for protection. He stated that a national program would create criteria for federal, state, and local governments to implement in order to avoid a catastrophic loss.

“The federal government must accept the responsibility for the safety of all federally funded and regulated levees.” Mr. Roth argued, “Similarly, state governments must enact legislation authorizing an appropriate entity to undertake a program of levee safety for non-federal levees.”

More information can be found at: http://epw.senate.gov/.

REPORT: LAO RELEASES REPORT ON CALIFORNIA’S FISCAL OUTLOOK

The LAO forecast of California’s General Fund revenues and expenditures shows that the state must address a budget problem of $25.4 billion between now and the time the Legislature enacts a 2011-12 state budget plan. The budget problem consists of a $6 billion projected deficit for 2010-11 and a $19 billion gap between projected revenues and spending in 2011-12.

The LAO recommends that the Legislature initiate a multiyear approach to solving California’s recurring structural budget deficit. In 2011-12, such an approach might involve $10 billion of permanent revenue and expenditure actions and $15 billion of temporary budget solutions. In 2012-13, 2013-14, and 2014-15, another few billion of permanent actions each year could be initiated, along with other temporary budget solutions, and so on until the structural deficit was eliminated.

For more information visit: http://lao.ca.gov/.

**REPORT: RAND RELEASES REPORT ON SUBSTANCE ABUSE AMONG CALIFORNIA MIDDLE SCHOOL CHILDREN**

On November 15, 2010, RAND released a study entitled The Influence of Personal, Family, and School Factors on Early Adolescent Substance Use. A team of RAND Health researchers gathered data from 5,500 seventh- and eighth-graders at 16 California middle schools. The team found that 22 percent of students interviewed reported ever using alcohol, 10 percent reported using tobacco, and 7 percent reported marijuana use. For each substance, the odds of substance use were highest among Hispanic students and lowest among Asians.

The RAND team also examined personal, family and school factors that may influence the middle schoolers' likelihood of substance use. They found that these factors also varied by race and ethnicity. Among Hispanic youth, personal factors were linked to risk of substance use -- including youths' lack of confidence in their ability to resist peer pressure and beliefs that substance use had fewer negative consequences. In contrast, Asian youths' relatively low rates of substance use were explained by personal, family, and school factors. Asian youths who felt more confident in their ability to resist peer pressure, who expressed respect for their parents, and who perceived lower rates of substance use among their school peers were less likely to report substance use.

For more information visit: http://www.rand.org/.

**REPORT: CALIFORNIA INDEX OF LEADING EMPLOYMENT INDICATOR POINTS TO MORE HIRING**

The latest economic figures out of Chapman University suggest California is about to see some job growth. Chapman University’s A. Gary Anderson Center for Economic Research released its California Index of Leading Employment Indicator on November 8, 2010.

The California Index of Leading Employment Indicator increased from a level of 99.3 in the third quarter of 2010 to 101.1 in the fourth quarter. A level below 100 signifies year-over-year job losses. The leading indicator index has shown year-over-year job loss since the second quarter of 2008. The positive trend in the indicator series suggests that the pace of job creation should pick up in the fourth quarter of this year.

Economists calculate the indicator using data from the Gross Domestic Product (GDP), real exports, the Standard & Poor's (S&P) 500 Index and California’s total construction spending. Three of the four components of the indicator series showed positive growth in the third quarter of 2010. Construction spending, based on the real values of total building permit valuation, decreased 30.1%. That, however, was an improvement from the 36.6% decline in the second quarter.

Economic forecasts are generated by the Chapman Econometric Model - a quarterly econometric model of the United States, California, and Orange, Los Angeles and Riverside/San Bernardino counties - developed by Chapman faculty and students. The Chapman Model was developed to make it possible to
forecast the direction of key economic indicators and thus enable local communities to make more efficient planning and investment decisions.

For more information visit: http://www.chapman.edu/.

**REPORT: PPIC SURVEY SHOWS CALIFORNIANS ARE CONCERNED OVER HIGHER EDUCATION FUNDING**

A statewide survey released by the Public Policy Institute of California on November 17, 2010 shows that concern is rising over the decline in funding of public colleges and universities in the state. The survey found that a strong majority of Californians think higher education funding is inadequate and most would support more funding even at the expense of other programs.

According to the survey, 74 percent of residents now say the state does not provide enough money for colleges and universities, up 17 points from October 2007 (57%). Most Californians (68%) believe that spending for public higher education should be given a high or very high priority -- a 14-point increase from November 2008 (54%) -- and 57 percent favor spending more on higher education even if other state programs have to be cut. Most (62%) are very concerned that the state budget situation will cause significant spending cuts in higher education, up 14 points from November 2008 (48%).

Californians, however, are divided on whether they would pay higher taxes to maintain current funding (49% yes, 49% no), with a strong partisan divide (64% of Democrats yes, 51% of independents and 69% of Republicans no). However, Californians’ willingness to pay higher taxes has increased over the last year (41% yes, 56% no in 2009). And they are much more likely to favor raising their own taxes than favor raising student fees to maintain current funding (35% yes, 62% no). Opposition to raising student fees holds across party lines (63% Democrats, 60% Republicans, 59% independents), the survey found.

More information on the survey can be found at: http://www.ppic.org.