EDUCATION: SENATE HELP SUBCOMMITTEE EXAMINES HEAD START

The Senate Health, Education, Labor and Pensions Subcommittee on Children and Families held a hearing on June 9, 2011 entitled: Getting the Most Bang for the Buck: Quality Early Education and Care. Witnesses were: Joan Lombardi, Ph.D, Deputy Assistant Secretary and Inter-Departmental Liaison for Early Childhood Development, Administration for Children & Families, U.S. Department of Health and Human Services; Dennis Hillian, Family Service Coordinator, The Charles County Judy Center, Waldorf, MD; Linda K. Smith, Executive Director, National Association of Child Care Resources & Referral Agencies, Arlington, VA; Arthur J. Rolnick, Senior Fellow and Co-Director of the Human Capital Research Collaborative, Humphrey School of Public Affairs, the University of Minnesota; Eva Tansky Blum, Senior Vice President and Director of Community Affairs, PNC Bank, Pittsburgh, PA; and Charlie Mills, III, Founder and Chief Executive Officer, Salera Capital Management, Potomac Falls, VA.

Dr. Lombardi cited a National Academies study on early childhood development and stated: “Evidence continues to mount demonstrating how children’s earliest experiences provide a foundation that can have a profound influence on their later success.” She discussed the two major programs that HHS administers to promote early childhood development – Head Start and the Child Care and Development Fund. The Office of Head Start (OHS) provides grants to 1661 local public and private non-profit and for-profit agencies to provide Head Start and Early Head Start services to meet the needs of local communities. The size and structure of these agencies vary widely from a program serving 20 children in an Alaska Native village to a large metropolitan school district serving more than 20,000 children. The American Reinvestment and Recovery Act included $2.1 billion to expand Head Start and Early Head Start. With this funding, Early Head Start programs increased the number of children served by 48,000 infants and toddlers and 13,000 three and four year olds. In total, more than 965,000 children and families are receiving comprehensive services, including early care and education, health, nutrition, disability services and a range of other family supports this year. The President’s FY 2012 budget for Head Start requests funding of $8.1 billion, which Dr. Lombardi testified “would maintain services for
these children and support critical quality improvements to maximize the effectiveness of the investment in Head Start.”

Other issues discussed at the hearing included:
- the importance of direct grants to providers in order to get services to children;
- raising awareness in the country of the importance of the first five years of life to the future development of the child;
- the economic return for the country of investing in early childhood development; and
- differences between the Military Child Care Act and the Child Care and Development Block Grant and ways to improve the CCDBG by incorporating MCCA procedures and safeguards.

For the testimony of the witnesses, go to: http://help.senate.gov.

**EDUCATION: SENATE COMMITTEE ASSESSES FOR-PROFIT COLLEGES**

On June 7, 2011, the Senate Health, Education, Labor and Pensions Committee held a hearing entitled "Drowning in Debt: Financial Outcomes of Students at For-Profit Colleges." This is the Committee’s fifth hearing on for-profit education companies. Witnesses included: Martha Kanter, Under Secretary, U.S. Department of Education, Washington, DC; Sandy Baum, Independent Higher Education Analyst and Consultant; Wade Henderson, President and CEO, Leadership Conference on Civil and Human Rights; Eric Schmitt, Former Student at a for-profit college from Hampton, Iowa; and Pauline Abernathy, Vice President, The Institute for College Access and Success.

In his opening statement, Chairman Tom Harkin (IA) said, “Some for-profit colleges offer important flexibility and an educational model that can work for students who are seeking educational advancement while also balancing jobs and family commitments. But there reaches a point where the education provided does not match the cost of the debt.”

According to Harkin, if the cost of tuition is so high that it exceeds what a student can borrow through the federal government, some schools are quick to offer their own loans. These are essentially subprime loans carrying high interest rates and even higher estimated levels of default, he said. Ninety-six percent of students at for-profit degree granting colleges borrow to pay for college, compared to 13 percent at community colleges, 48 percent at four-year public colleges, and 57 percent at four-year private colleges. In 2009 for-profit colleges received $18 billion in federally guaranteed student loans.

Student loan programs have grown significantly in recent years. Currently, 36.1 million Americans hold over $740 billion in outstanding Federal student loans. When combined with outstanding private education loans, student loan debt is now greater than the total volume of credit card debt. This year, the Department of Education expects to make $116 billion in new student loans. The program’s growth is due to the recession coupled with growing student enrollment, changes Congress made to expand student loan eligibility, and increased prices of postsecondary education – particularly outside of the community college sector. There remains a robust market in private student loans – including loans made by schools themselves – outside of the government system of student lending. Private loans totaled $8.5 billion this year, according to the College Board.
Under Secretary Kanter discussed the final regulations defining the term “gainful employment,” setting requirements for eligibility for occupational training programs, which the Department promulgated last week. While the regulations apply to programs at all types of institutions, for-profit programs are most likely to leave their students with unaffordable debts and poor employment prospects, Kanter said. The Department’s final regulations require each program to demonstrate that at least 35 percent of its students are paying their loans and that debt burdens for typical students do not far exceed expert recommendations. By setting a minimum standard of expectation, she said, the Department of Education “hopes to improve the lowest performing programs; those who can’t or won’t improve will lose access to federal loans.”

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

**Homeland Security: House Subcommittee Marks UpPending Legislation**

The House Homeland Security Subcommittee on Border and Maritime Security marked up three pending bills on June 2, 2011. The three were: Jaime Zapata Border Enforcement Security Task Force Act (H.R. 915), the Secure Border Act of 2011 (H.R. 1299), and a bill to provide U.S. Customs and Border Protection with access to Federal lands to carry out certain security activities in the Southwest border region (H.R. 1922).

The purpose of the Jaime Zapata Border Enforcement Security Task Force (BEST) Act is to provide U.S. Customs and Border Protection with access to Federal lands to carry out certain security activities in the Southwest border region. The bill was reported to the full Committee without amendment. The bill is named in memory of ICE Special Agent Jaime Zapata, who was killed in the line of duty in Mexico earlier this year while working as part of a BEST team.

H.R 915 statutorily authorizes BEST units to enhance border security by addressing and reducing border security threats and violence by facilitating collaboration among Federal, State, local, tribal, and foreign law enforcement agencies and enhancing information-sharing. The legislation also authorizes the Secretary of Homeland Security to appropriate $10 million for each of fiscal years 2012 through 2016 to establish and operate the BEST program and investigate, apprehend, and prosecute individuals engaged in trafficking, smuggling and other illegal activity along and across the international borders of the United States.

The purpose of the Secure Border Act of 2011, H.R. 1299, is to achieve operational control of and improve security at the international land borders of the United States. The bill was passed on to the full committee after three amendments were defeated by voice vote.

Lastly, the purpose of HR 1922 is to establish a Border Enforcement Security Task Force program to enhance border security by fostering coordinated efforts among Federal, State, and local border and law enforcement officials to protect United States border cities and communities from transnational crime, including violence associated with drug trafficking, arms smuggling, illegal alien trafficking and smuggling, violence, and kidnapping along and across the international borders of the United States. This bill also was reported favorably to the Full Committee.

For more information, visit: http://homeland.house.gov.

**Intellectual Property: House Judiciary Examines Illegal Streaming**

On June 1, 2011, the House Judiciary Subcommittee on Intellectual Property, Competition and the Internet held a hearing titled "Promoting Investment and Protecting Commerce Online: The ART Act (Artists’ Rights and Theft Prevention Act), the NET Act (No Electronic Theft Act] and Illegal Streaming." Witnesses included: Maria Pallante, Acting Register of Copyrights, U.S. Copyright Office; Michael O’Leary, Executive Vice President, Motion Picture Association of America; and Sandra Aistars, Executive Director, Copyright Alliance.
The first copyright legislation enacted by Congress specifically in response to infringement on the Internet was the No Electronic Theft Act (NET Act), introduced in 1997. It addressed the reality that infringers on the Internet can cause tremendous damage with relative ease and with little to no monetary investment, despite the absence of a commercial purpose.

Seven years later, Congress revisited the criminal provisions of copyright law when it enacted the Artists Rights and Theft Prevention Act (ART Act). Among other things, the ART Act addressed a new phenomenon on the Internet: the making available for distribution on the Internet copies of motion pictures and other audiovisual works, musical works and sound recordings, and computer programs prior to their authorized release to the public. It was – and is – not infrequent that days or even weeks before the premiere of a motion picture or the release of a sound recording, illicit copies are made available for downloading on the Internet (as well as in physical copies) by persons who acquired them unlawfully.

Ms. Pallante’s testimony set forth policy reasons for updating the law, namely to ensure the same tools exist for prosecution with respect to the exclusive right of public performance as currently exist for the exclusive rights of reproduction and distribution. She also outlined some possible legislative steps that the Committee should consider as it decides whether to make unauthorized streaming of copyrighted works a felony criminal offense under appropriate circumstances.

Ms. Aistar testified on behalf of the Copyright Alliance in support of enacting legislation to address felony streaming and urged that it should be a priority for Congress. She said bringing penalties for illegal streaming in line with other forms of infringement would send a message to operators and large scale contributors to rogue streaming sites that they are not immune from serious prosecution. According to Aistar, along with illegal streaming and download sites, illegal cyberlockers are now emerging as another threat. She said some rogue operators are recruiting the general public to help them steal works by offering cash incentives for every 1,000 streams or downloads a file generates. She testified, “These illegitimate websites are creating the infrastructure to expand the digital theft problem exponentially, and they rely on the relatively low risk associated with operating an illegal streaming site to do so.”

Mr. O’Leary, testifying on behalf of MPAA, also stressed that legislation is necessary to make it clear that criminal streaming is eligible for felony treatment under U.S. law. He cited the recent report released by the U.S. Intellectual Property Enforcement Coordinator which recommended that Congress clarify that infringement by streaming, or by means of other similar technology, is a felony in appropriate circumstances. The report transmitted to Congress in March 2011, entitled White Paper on Intellectual Property Enforcement Legislative Recommendations, stated that U.S. laws must ensure that felony penalties are available for infringement by streaming and by means of other new technology.

For more information, visit: http://judiciary.house.gov/.

TRANSPORTATION: PUBLIC TRANSPORTATION PRIORITIES AND CHALLENGES DISCUSSED

On Thursday, May 19, 2011, the Senate Banking, Housing and Urban Affairs Committee held a hearing titled "Public Transportation: Priorities and Challenges for Reauthorization." The Banking Committee is responsible for authorizing the transit portion of the federal surface transportation program. Witnesses included: Peter Rogoff, Administrator, Federal Transit Administration; William W. Millar, President, American Public Transportation Association; Dale Marsico, Executive Director, Community Transportation Association of America; Larry Hanley, International President, Amalgamated Transit Union; and JayEtta Hecker, Director of Transportation Advocacy, Bipartisan Policy Center.

Mr. Rogoff testified that the reauthorization would enable America to strategically rebuild and expand national transit infrastructure in ways that will create new jobs, enhance competitiveness, and spur economic growth in communities nationwide, while also reducing the nation's dependence on oil. He said almost all Americans have been affected by the spike in gas prices lately, as they were in 2008 and back in
1973, and concerned suburban commuters are turning to transit. According to the American Public Transportation Association, riding public transportation saves individuals, on average, $10,116 annually, or $843 a month, compared with driving.

Ms. Hecker testified on behalf of the Bipartisan Policy Center advocating for the reauthorization to prioritize promoting performance, improving planning, and developing an integrated, multi-modal focus on optimizing transportation networks. She also said funding challenges for the reauthorization are profound and require immediate incentives for increases in non-federal revenue, and reestablishing the credibility of the federal program to gain support for increased federal revenues.

Other issues discussed concerning the transportation reauthorization include:
- Transit safety;
- Temporary and targeted operating assistance;
- Program streamlining and delivery;
- A consolidated and specialized transportation grant program;
- Workforce development and local hiring preference;
- The public transportation emergency relief program;
- Performance-based planning; and
- Liveable communities.

The current extension of transit and highway programs runs through September 30; Congress has produced seven short term extensions since 2009.

To read the full witness testimony, visit: http://banking.senate.gov/.

REPORT: PPIC SURVEY ON CALIFORNIANS AND EDUCATION

Recently, the Public Policy Institute of California (PPIC) released a report examining California's perceptions of the state of their public education system. According to the report, most Californians are very concerned that the state's budget deficit will result in cuts to public schools, the area of the budget they most want to protect. To maintain current funding for K-12 education, a strong majority favor raising income taxes for the wealthiest Californians, but most oppose raising the state sales tax or personal income taxes overall, according to the study.

With California currently facing a $26 billion budget gap, 68 percent of Californians and 74 percent of public school parents say the quality of K-12 education will suffer if cuts are made. When Californians are read the major areas of state spending (K-12 public schools, health and human services, higher education, and prisons and corrections) 57 percent most want to protect schools. Since PPIC first asked the question in June 2003, a majority have responded this way. Most are very concerned (57%) or somewhat concerned (29%) that the state's budget deficit will result in significant cuts.

"Californians' support for maintaining K-12 spending remains strong. It is a significant factor for the state's leaders to take into account in any proposals that they put before voters this year," says Mark Baldassare, president and CEO of PPIC. "Residents are worried about the toll that reduced spending is having on the quality of K-12 public education, and public school parents are noticing the impact of state budget cuts on their children's schools." By contrast, 68 percent of adults and 62 percent of likely voters favor raising the top rate of the state income tax paid by the wealthiest Californians to maintain K-12 funding. There is a partisan divide: Democrats (82%) and independents (63%) are in favor, and Republicans (60%) are opposed.

When asked how the quality of public schools can be significantly improved, 43 percent of residents and 47 percent of likely voters say existing state funds need to be used more wisely. A similar 41 percent of residents and 42 percent of likely voters say funds need to be used more wisely and the amount of funding needs to be increased. Just 13 percent of adults and 9 percent of likely voters say that increasing state funding alone would significantly improve quality.
More key findings:
- Many are unaware how the state ranks in spending and student achievement – just one in four Californians (23%) know that both student test scores and spending per pupil are below average compared to other states.
- Public school parents see the impact of cuts – more than half of public school parents say they have noticed furloughs or layoffs of support staff (52%) or cuts to programs such as art, music, summer school, or extracurricular activities (58%).
- Most prefer local control of state money for schools – an overwhelming majority of residents (83%) prefer control at the local level, either by school districts (49%) or schools (34%). Just 13 percent prefer that state government make these decisions.

To view the complete report, visit: www.ppic.org.

**REPORT: CALIFORNIA POPULATION REPORT RELEASED BY STATE DEPT. OF FINANCE**

On May 12, 2011, The California Department of Finance, Demographic Research Unit released its latest population report showing that California has 37,511,000 residents as of January 1, 2011. According to the report, the state added almost 287,000 new residents in 2010. The report shows preliminary January 2011, as well as revised January 2010, population and housing unit data for the cities and counties. These population estimates incorporate 2010 Census counts as the benchmark. Therefore, the population estimates for 2010 and 2011 published in the report might be noticeably different from the previous year estimates, the authors state.

According to the report, the median age in California is 35.2 years and the average household size is 2.5 people. California's minority population has grown substantially, most dramatically in the interior of the state. The U.S. Census Bureau figures show that during the past decade, the percentage of Latinos has approached parity with non-Hispanic whites – 37.6% to 40.1%, with Asians at 12.8% and blacks at 5.8%.

The data for California show that the five most populous incorporated places and their 2010 Census counts are Los Angeles, 3,792,621; San Diego, 1,307,402; San Jose, 945,942; San Francisco, 805,235; and Fresno, 494,665. Los Angeles grew by 2.6 percent since the 2000 Census. San Diego grew by 6.9 percent, San Jose grew by 5.7 percent, San Francisco grew by 3.7 percent, and Fresno grew by 15.7 percent.

The largest county is Los Angeles, with a population of 9,818,605. Its population grew by 3.1 percent since 2000. The other counties in the top five include San Diego, with a population of 3,095,313 (increase of 10.0 percent); Orange, 3,010,232 (increase of 5.8 percent); Riverside, 2,189,641 (increase of 41.7 percent); and San Bernardino, 2,035,210 (increase of 19.1 percent).

You can find links to these new reports under "What's New" on the Demographic Research website at http://www.dof.ca.gov/research/demographic/ . Also, more information can be found at: www.census.gov.

**REPORT: LAO ANALYZES GOVERNOR’S MAY REVISION**

On May 19, 2011, the California Legislative Analyst's Office (LAO) issued a report entitled, *The 2011-12 Budget: Overview of the May Revision*. According to the report, the administration projects that the state's sizeable budget gap for 2010-11 and 2011-12 is $9.6 billion (estimated to be over $25 billion in January). The report states the main reasons for the decline of the projected budget shortfall are (1) over $13 billion of expenditure actions, fund shifts, and other measures already approved by the Legislature earlier this year, and (2) an estimated $6.6 billion improvement in state tax collections, mainly due to higher than expected personal income tax (PIT) collections. These improvements are offset by some higher spending estimates.

The Governor proposes that the state plan for a $1.2 billion General Fund reserve at the end of 2011-12. Accordingly, the administration's plan includes a net amount of $10.8 billion of budget-balancing actions. The centerpiece of the Governor's proposal continues to be that his proposal for taxes enacted in
February 2009 continue to be adopted for several more years and for part of those taxes to fund a realignment of certain state services to local governments. The May Revision tax proposal, however, is about $3 billion less than the January tax proposal by the Governor, as it omits the proposed 2011 PIT surcharge, drops the proposed elimination of enterprise zones, and includes some new and expanded business tax expenditures (credits and exemptions). The May Revision also reflects a $3 billion increase in the 2011-12 Proposition 98 minimum funding guarantee for schools and community colleges due to (1) estimated improvement in tax collections, (2) an expansion of the administration's new revenue accrual policy, and (3) two "rebenchings" of Proposition 98.

According to the LAO, the May Revision includes a new focus of the Governor on reducing the state's budgetary debt obligations, beginning with reductions in previously planned borrowing from state special funds and eliminating previously adopted deferrals in scheduled payments to school districts. The Governor proposes further reductions in budgetary debt over the next few years.

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

**BRIEFING: DIESEL TECH FORUM BRIEFING ON RENEWABLE FUELS & DIESEL TECHNOLOGY**

The Diesel Technology Forum (DTF) will hold a briefing on *Reducing Petroleum Use on the Road and at the Jobsite* on Friday, June 17, 2011 from 12:00pm - 1:30pm in Room B-338 of the Rayburn House Office Building. Lunch will be provided.

Today's heavy-duty trucks are 98 percent cleaner than those made 10 years ago and this same technology is being phased in across all diesel applications, but more is being done, DTF reports. Industry is working with DOE's SuperTruck program to increase heavy-duty vehicle efficiency through improved aerodynamics and a suite of engine technology improvements. High fuel economy gains are driving demand for diesel hybrid buses, making them the technology of choice for many of the country's top transit districts. Even many work trucks found in communities across the country are integrating hybrid technologies to reduce fuel consumption, according to DTF. The briefing will discuss how R&D investments are bringing more efficient technologies to market for use in truck fleets. Speakers are expected to be:

- Wayne Eckerle, Vice President, Research & Technology, Cummins, Inc. - Greater engine efficiency and the DOE SuperTruck program
- Anthony Greszler, Vice President, Engineering, Volvo Powertrain - Truck technologies which can help reduce fuel consumption
- Jack Saum, Sr., Chairman of the Board, Beltway International, LLC - Truck owner/operator views on new technologies and the quest for greater fuel economy
- Jason Mathers, Project Manager, Environmental Defense Fund - EDF's work with corporations to improve fleet fuel economy and promote greater use of hybrid trucks

If you wish to attend the briefing, please RSVP to: dtf@dieselforum.org.