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.

APPROPRIATIONS: INSTITUTE ANALYSIS OF FY12
HOUSE DHS APPROPRIATIONS AVAILABLE


REPORT: LAO SAYS HIGH-SPEED RAIL AT A CRITICAL JUNCTURE

On May 10, 2011, the California Legislative Analyst's Office (LAO) released a report entitled, "High-Speed Rail Is at a Critical Juncture." In November 2008, voters approved Proposition 1A, which allows the state to sell $9 billion in general obligation bonds to partially fund the development and construction of the high-speed rail system. In addition, the state has received roughly $3 billion from the federal government for its construction. In its report, the LAO describes a number of problems that pose threats to the high-speed rail project's successful development as envisioned by Proposition 1A and makes several recommendations.

California's proposed high-speed rail project would link the state's major population centers, including Sacramento, the San Francisco Bay Area, the Central Valley, Los Angeles, the Inland Empire, Orange County, and San Diego. The most recent cost estimate for completion of the first phase of the project is roughly $43 billion. The California High-Speed Rail Authority (HSRA) recently approved plans to begin construction in fall 2012 on a portion of the system costing roughly $5.5 billion through the Central Valley that spans from north of Fresno to north of Bakersfield. The Legislature will likely be asked to appropriate much of the funding for this initial segment in 2012-13.

The report describes a number of problems that pose threats to the high-speed rail project's successful development as envisioned by Proposition 1A. For example, the availability of the additional funding assumed in a 2009 business plan as necessary to complete the project is highly uncertain and federal deadlines and conditions attached to the funding already provided to the state would limit the state's options for the successful development of the system. In addition, the report explains the existing governance structure for the project is inadequate for the imminent development and construction stages and the

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Legislature lacks the good information it needs to make critical multi-billion dollar decisions about the project that it will soon face.

According to the LAO, the State Legislature faces some challenging choices about whether to continue with a project that, despite the problems outlined above, could have some reductions in other spending for transportation improvements as well as air quality and other environmental benefits. The LAO recommends that the State Legislature take the following actions to increase the likelihood that the high-speed rail project will be developed successfully:

- Fund only needed administrative tasks for now;
- Seek flexibility on use of federal funds;
- Reconsider where construction of the line should start; and
- Improve the way project decisions are made.

To view the entire report, visit: [http://lao.ca.gov](http://lao.ca.gov).

**Report: PPIC Survey on Brown's May Revise**

According to a statewide survey released on June 1, 2011 by the Public Policy Institute of California (PPIC), 77 percent of adults say voters should make some of the decisions about taxing and spending, while 20 percent of adults say the governor and legislature should make all of these decisions. In this survey, taken just after Governor Jerry Brown released his revised budget proposal in May, is part of a series that examines the social, economic, and political trends that influence public policy preferences and ballot choices. Findings are based on a telephone survey of 2,005 California adult residents interviewed on landlines and cell phones from May 17-24, 2011.

On the specific question of whether there should be a special election on Brown's proposed tax and fee package to prevent further budget cuts, the report shows 68 percent of say a special election is a good idea. Support for this idea—which dropped between January and March (67% January, 54% March, 58% April). The majority of adults (64%) favor the governor's revised budget proposal, which includes an $11 billion reduction in the budget deficit already approved and would close the remaining gap through temporary tax increases, tax revenues that have been higher than expected, and more spending cuts, according to the PPIC survey. Brown's plan also includes increased funding for K-12 public schools and community colleges, and places about $1 billion in reserve.

But while most Californians generally approve of Brown's plan when read this summary, they oppose the specifics of his tax and fee package. Fewer than half of adults (41%) support his proposal to extend temporary increases in state sales tax and vehicle license fees for five years and to reinstate a temporary income tax increase in 2012 for four years, according to PPIC.

"Californians have favorable views of the governor's revised budget plan and his special election idea," says Mark Baldassare, PPIC president and CEO. "Yet the fact that fewer than half support his tax and fee package raises questions about the outcome if the voters have their say."

According to the PPIC survey results, there is no consensus on how Californians would like to deal with the state's multibillion-dollar budget gap: 40 percent prefer a mix of spending cuts and tax increases, while 36 percent favor mostly spending cuts. Just 9 percent prefer mostly tax increases and 8 percent say it's okay to borrow and run a deficit.
Californians are more pessimistic about the state's direction than they have been all year but less pessimistic than they were in 2010, with 61 percent saying California is headed in the wrong direction and just 29 percent saying it's headed in the right direction, according to the survey. Jobs and the economy top the list of the most important issues Californians face, as it has since March 2008. Most (58%) expect bad times financially in the next year. Nearly half say the state is in a serious economic recession (47%) and are concerned that someone in their own family will lose a job in the next year (48%). Most Californians (61%) say they are following news about the state's budget situation very or fairly closely, the survey shows.

To view the complete survey results, visit: http://www.ppic.org.

REPORT: BROOKINGS ANALyzES EDUCATIONAL LEVELS OF IMMIGRANTS

The Brookings Institution Metropolitan Policy Program released a report on June 9, 2011 entitled: The Geography of Immigrant Skills: Educational Profiles of Metropolitan Areas. The report analyzes data from the U.S. Census Bureau’s American Community Survey (ACS) for the nation’s 100 largest metros and finds that more immigrants now have at least a bachelor’s degree than lack a high-school diploma.

“Nearly one in six workers in our country was born somewhere else,” said Audrey Singer, a Brookings Senior Fellow and co-author of the report. “Low- and high-skilled immigration has grown nationally, but the mix varies across metropolitan areas. High-skilled immigrants cluster in coastal metros like Seattle and Washington, D.C., and in older industrial metros like Pittsburgh, St. Louis, Detroit, and Cleveland. Lower-skilled immigrants are more strongly represented in metro areas in the Southwest border states and in places with the fastest-growing immigrant populations, particularly in the Southeast.”

Among the report’s findings:
- The share of working-age immigrants in the United States who have a bachelor’s degree has risen considerably since 1980, and now exceeds the share without a high school diploma.
- Compared with their U.S.-born counterparts, low-skilled immigrants have higher rates of employment and lower rates of household poverty, but also have lower individual earnings, in all types of metro areas.
- Forty-four (44) of the nation’s 100 largest metropolitan areas, including San Francisco, are high-skilled immigrant destinations, where college-educated immigrants outnumber immigrants without high school diplomas by at least 25 percent.
- Recent immigrants to metro areas with the fastest-growing immigrant populations have markedly lower educational attainment than immigrants settling elsewhere.

Specific data for several California cities are included in the report. For example, for the San Francisco-Oakland-Fremont Metro Area, the report states that 29.5 percent of the total population is immigrant, with 25.4 percent in the low-skill category, 38.1 percent in the mid-skill category, and 36.5 percent in the high skill category. For every 143 high-skilled immigrants in the metro area, there are 100 low-skilled immigrants.

For Los Angeles-Long Beach-Santa Ana Metro Area, on the other hand, the report finds that its population is 34.4 percent immigrant. Of those individuals, 37.8 percent are low-skilled, 38.6 percent are mid-skilled, and only 23.6 percent are high-skilled. For every 62 high-skilled immigrants in the area, there are 100 low-skilled immigrants, the report finds.

For more information, including the statistics for several other California cities, go to: http://www.brookings.edu/papers/2011/06_immigrants_singer.aspx.

REPORT: PEW REPORTS ON ENUMERATION OF HISPANIC POPULATION GROUPS IN U.S.

On May 26, 2011, the Pew Hispanic Center released an analysis and enumeration of the Hispanic population groups in the United States by their country of origin. The report examines the Hispanic country
of origin populations nationally and in the 30 metropolitan areas with the largest Hispanic populations. It is based on an analysis of 2010 Census results and data from the 2009 American Community Survey. Along with the report, the Center released 10 demographic profiles of the largest Hispanic country-of-origin populations at the national level as well as two interactive graphics. The demographic profiles and interactive graphics contain geographic, demographic and economic details based on data from the 2009 American Community Survey.

Hispanics of Mexican, Puerto Rican, and Cuban origin or descent remain the nation's three largest Hispanic country-of-origin groups, according to the 2010 U.S. Census. However, while the relative position of these groups has remained unchanged since 2000, the next four Hispanic sub-groups – Salvadorans, Dominicans, Guatemalans and Colombians – grew faster during the decade, according to the Pew analysis. Despite their No. 1 status, Mexicans are not the dominant group in many of the nation's metropolitan areas, the report also finds. In many metro areas, such as Los Angeles-Long Beach, Chicago and San Antonio, Mexicans are the largest Hispanic origin group by far. However, Cubans are the dominant group in Miami, Salvadorans are the largest group in the Washington, DC area, and in the New York-Northeastern New Jersey area, Puerto Ricans are the largest group.

To read the full analysis, visit: http://pewhispanic.org/.

REPORT: PPIC SURVEYS 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 BUDGET PROJECT RELEASES REPORTS ON CA BASIC SKILLS EDUCATION**

The California Budget Project recently released two new reports on California’s basic skills education. *California’s Basic Skills Students: Who Succeeds and Why* summarizes the findings of CBP’s data analysis of basic skills student achievement in California’s Adult Education Program and the California Community Colleges’ noncredit and credit programs. *Gateway to a Better Future: Creating a Basic Skills System for California* offers recommendations for improving basic skills education in California by focusing on system goals and resources, integrated service delivery, comprehensive support services, and accountability.

Until recent budget cuts, California’s basic skills programs served more than 1.5 million students a year at a cost to the state of more than $1.0 billion. However, these CBP reports find that few students in California’s basic skills system make meaningful educational progress. The reports identify services and practices that can improve students’ successes.

To obtain the reports, go to: http://www.cbp.org.