TRANSPORTATION: HOUSE MOVES TOWARDS FLOOR ACTION ON TRANSPORTATION PACKAGE

On Wednesday, February 8, 2012, the House Rules Committee released a merged version of H.R. 7, the $260 billion 5-year transportation reauthorization bill (the “American Energy and Infrastructure Jobs Act of 2012”). The Rules Committee print largely incorporates the text of H.R. 7, reported by the Transportation and Infrastructure Committee; the text of H.R. 3548, reported by the Energy & Commerce Committee; H.R. 3864, the revenue title reported by Ways & Means; H.R. 3813, reported by Oversight & Government Reform; and H.R. 3407, H.R. 3408 and H.R. 3410, as reported by the Natural Resources Committee.

The provisions from the Natural Resources and Oversight & Government Reform Committees address H.R. 7's projected financing gap. It is expected that H.R. 3813, relating to federal employee pensions, would provide approximately $37 billion in additional funding. Together with the energy bills (H.R. 3407, 3408, and 3410), H.R. 7 gains an offset that would address the difference between the bill's authorized spending and expected revenue.

The energy bills were reported by the House Natural Resources Committee last week. See http://www.calinst.org/bul2/b1903.shtml#TOC1_5. Among them is H.R. 3410, which would allow for offshore drilling in southern California. Speaker John Boehner (OH) said last week that the royalties from new domestic gas and oil production would be put toward ensuring the Highway Trust Fund's solvency. This was confirmed Wednesday as H.R. 7 includes a mandate that the Highway Trust Fund receive "amounts equivalent to the net increase in Federal revenues from onshore and offshore domestic energy leasing and production" generated by its energy components. According to the Congressional Budget Office (CBO), the offshore and onshore energy provisions in H.R. 7 would together raise $4.8 billion over the decade between 2012 and 2022.

Additional money for the transportation package would be raised in H.R. 3813, which makes changes to federal employee pensions. Specifically, the bill mandates a 1.5 percent increase in employee
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Contributions to the Civil Service Retirement System (CSRS) and the Federal Employee Retirement System (FERS). This expansion would begin next year and occur over a period of three years. Contributors to FERS would see their contributions more than double from 0.8 percent of their paycheck to 2.3 percent. As reported by the House Oversight and Government Reform Committee, the Congressional Budget Office (CBO) has found that similar bills have been estimated to result in a federal spending savings of $44.6 billion.

Also included in the package is a provision moving the permitting authority governing the Keystone XL Pipeline to the Federal Energy Regulatory Commission (FERC).

The House is expected to consider the combined bill on the floor the week of February 13, 2012.


**Transportation: Senate Finance Reports**

**Transportation Funding Measure, Senate Debate on S. 1813 Begins**

On Tuesday, February 7, 2012, the Senate Finance Committee approved The Highway Investment, Job Creation and Economic Growth Act of 2012 by a vote of 17-6. This legislation represents the funding aspects of S. 1813, also known as Moving Ahead for Progress in the 21st Century, or MAP-21. MAP-21 is a 2-year, $109 billion comprehensive surface-transportation reauthorization package sponsored by Sen. Barbara Boxer, Chair of the Senate Environment and Public Works Committee.

The package includes bills from a total of three Senate panels, including the legislation passed Tuesday by the Finance panel.

The Finance Committee’s measure includes provisions that aimed at protecting Highway Trust Fund (HTF) financing by extending excise taxes. The taxes would be extended through the 2015 fiscal year and give the HTF spending authority for a two-year period through fiscal 2013.

Other funding aspects of the bill include provisions to dedicate a segment of fuel taxes and an additional $3 billion from the Leaking Underground Storage Tank Trust Fund to the HTF. Additionally, a portion of import tariffs would be reallocated to the HTF while persons with over $50,000 in federal tax debts would have their passports denied or revoked. The total package includes $16.5 billion in spending offsets.

Chairman Max Baucus (MT) called the legislation his "best assessment of a consensus product," noting that where the Committee could not find more revenue from usual sources, they "focused on funding that bears a nexus to transportation." Others argued against the unusual sources and cited the possibility that the legislation would take funds from the General Fund.

Members of the Finance panel offered a total of 15 amendments, most of which were withdrawn. The most significant one was offered by Sen. Orrin G. Hatch (UT), which would have removed almost all of the bill's elements and put into place provisions similar to those being considered by the House (including approval of the Keystone XL Pipeline). Chairman Baucus ruled the amendment non-germane.

Two amendments were adopted by voice vote, including one by Sen. Jeff Bingaman (NM), which would make tax changes to highway leases, as well as one by Sen. Robert Menendez (NJ) regarding private activity bonds for water and wastewater projects.
After the Finance Committee action, Senate Majority Leader Harry Reid (NV) filed cloture on the motion to proceed to MAP-21; on Thursday, February 9, the Senate easily invoked cloture by a vote of 85-11. The Senate will continue consideration of the bill next week.

For more information, go to: http://thomas.loc.gov/cgi-bin/bdquery/z?d112:s.1813:, or http://finance.senate.gov/legislation/details/?id=d923f3c4-5056-a032-52f9-cc852968f453, or http://epw.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=6d1e2690-6bc7-4e13-9169-0c7bc2ca0098.

TRADE: HOUSE FOREIGN AFFAIRS EXAMINES EXPORT CONTROLS

The House Committee on Foreign Affairs held a hearing on Tuesday, February 7, 2012 titled: “Export Controls, Arms Sales, and Reform: Balancing U.S. Interests, Part II.” The focus of the hearing was to examine the Administration’s proposal to restructure the U.S. export control system by creating a single export control licensing agency, a unified control list, a single integrated information technology system (including a single database of sanctioned and denied parties), and a single enforcement coordination agency. The hearing also explored the Administration’s proposals to transfer numerous military end-items, as well as many sensitive parts and components, to the Department of Commerce.

Witnesses were: Ms. Marion C. Blakey, President & Chief Executive Officer, Aerospace Industries Association; Mr. Mikel Williams, Chief Executive Officer, DDi Corp., Anaheim, CA; and Ms. Patricia A. Cooper, President, Satellite Industry Association.

Mr. Williams testified that reform of U.S. export control laws must include clarification of “the frequently misunderstood regulatory treatment of printed circuit boards that underpin our critical defense technology.” During questioning, Rep. Ed Royce (Fullerton) agreed that printed circuit boards should be treated as International Treaty on Arms Reductions (ITAR) controlled.

Ms. Clark explained that satellites are the only category of products mandated by Congress for blanket treatment as munitions under the U.S. Munitions List (USML). Every item in USML Category XV – “Spacecraft Systems and Associated Equipment” – is legally required to be regulated as a munition, no matter how outmoded or how widely-traded the item, she testified. This over-regulation has damaged the U.S. satellite industry’s international market share, and Ms. Clark urged Congress to remove this blanket requirement and restore Executive Branch authority over the regulation of satellite export controls. SIA supports Rep. Howard Berman’s (North Hollywood) legislation, H.R. 3288, the “Safeguarding United States Satellite Leadership and Security Act of 2011,” which would correct the historical over-regulation of satellite exports while retaining protections on critical technologies, Clark concluded.

Ms. Cooper reiterated that Congress should remove “its long-standing mandate requiring that all satellites and related items be regulated uniformly as munitions, without regard to their technological sensitivity. While the current one-size-fits-all satellite export control laws were originally intended to enhance national security, a decade of experience shows that this requirement to over-regulate has undermined the nation’s security and the satellite industry’s international competitiveness. SIA asks that Congress restore the Executive Branch’s authority to regulate satellites, as they do every other U.S. technology – by making careful and expert differentiations between commonly-available items and the most sensitive technologies, the latter of which are then safeguarded with our strictest export controls.”

During questioning, Rep. Dana Rohrabacher (Huntington Beach) reiterated his longstanding concern that the United States must protect against technology transfer to countries such as China. Rep. Brad Sherman questioned the witnesses on whether they would support a tougher standard for exporting the manufacturing know-how – e.g., the plans to set up a factory overseas – versus exporting an actual product.

For the testimony of the witnesses, go to: http://foreignaffairs.house.gov.
TRANSPORTATION: SENATE APPROVES CONFERENCE BILL ON FEDERAL AVIATION REAUTHORIZATION

On Monday, February 7, 2012, the Senate passed a multiyear renewal of federal aviation programs. The conference report to The Federal Aviation Administration Air Transportation Modernization and Safety Improvement Act (H.R. 658) passed the Senate by a vote of 75-20, following last week's House approval by a vote of 248-169. The four-year bill authorizes funding for aviation programs at approximately $15.9 billion per year through the end of fiscal year 2015. The bill will replace short extensions continually granted since the last major reauthorization (PL 108-176) expired in 2007. President Obama is expected to sign the legislation.

The bill is expected to provide nearly $3.35 billion per year for the Airport Improvement Program. The FAA would receive about $2.7 billion annually for facilities and equipment. It would also receive anywhere from $9.5 billion to $9.7 billion each year for operations in the fiscal year period of 2012-2015. According to both chambers, the legislation would stabilize funding and policy for the FAA. It would also enhance safety, increase jobs, and speed improvements to NextGen, the national air system.

Just last month, a House proposal to remove a National Mediation Board ruling that made changes to how union election ballots were counted threatened to derail reauthorization. The bill passed on Monday includes the contentious rule but raises the threshold percentage of employees that need to express interest before holding a vote on a union election from 20 percent to 50 percent.

The bill would also change allowances for roundtrip flights out of Reagan Washington National Airport. It would add 16 new nonstop flights beyond the perimeter limit (1,250 miles). Additionally, the Essential Air Service Program would be reauthorized at a level of $461 million for the next four years. The bill also extends excise taxes that fund the Airport and Airway Trust Fund through 2015, providing the majority of FAA financing and reauthorizing the FAA to spend money from the fund.

For more information, see: http://thomas.loc.gov/cgi-bin/bdquery/z?d112:HR00658.

RESOURCES: HOUSE SUBCOMMITTEE HOLDS HEARING ON HERGER-FEINSTEIN QUINCY LIBRARY GROUP ACT

On February 3, 2012, the House Natural Resources Subcommittee on National Parks, Forest and Public Lands held a hearing to examine several bills, including H.R. 3685, a bill to amend the Herger-Feinstein Quincy Library Group Forest Recovery Act to extend and expand the scope of the pilot forest management project required by the Act.

Witnesses included Rep. Wally Herger (Marysville); Ms. Leslie A.C. Weldon, Deputy Chief, National Forest System, US Forest Service; Mr. Mike Wood, The United Brotherhood of Carpenters and Joiners of America; and Dr. Jonathan Kusel, Executive Director, Sierra Institute for Community and Environment.

Rep. Herger stated that the Herger-Feinstein Quincy Library Group Forest Recovery Act was intended to "develop a collaborative and locally-driven solution to bring health and stability to our communities and the forests they live in." He said, "I have introduced H.R. 3685 to reauthorize this common sense and collaborative project" and to overcome objections from "fringe groups and frivolous lawsuits" that have caused an "impasse in forest management." The legislation will reauthorize the project for "ten more years, ensuring that the Forest Service has a stable and consistent period for fully implementing the pilot project." It will also allow the pilot to be expanded "to all National Forest system lands within parts of California and Nevada" at the "discretion of the Forest Service."

Ms. Weldon said the U.S. Forest Service "shares the desire of the bill sponsors to promote local economic stability, create fire-resilient forests that maintain ecological integrity, and provide for safe and effective fire suppression – the principle goals of the original HFQLG Act." She stated that the Department
would like to work with the bill sponsors and is "open to a short term extension of the existing act to learn from other collaborative models."

According to the U.S. Forest Service, the Herger-Feinstein Quincy Library Group Pilot Project is currently being implemented over approximately 1.5 million acres across the Lassen and Plumas National Forest and the Sierraville District of the Tahoe National Forest. The Project is designed to test and demonstrate the effectiveness of fuels and vegetation management activities to meet ecological, economic and fuel reduction objectives. The Herger-Feinstein Quincy Library Group Forest Recovery Act passed in October 1998 mandated the pilot program.


**Immigration: House Judiciary Examines Agriculture Guestworker Programs**

The House Judiciary Subcommittee on Immigration Policy and Enforcement held a hearing on February 9, 2012 entitled "Regional Perspectives on Agricultural Guestworker Programs." Witnesses included: Mr. Paul Wenger, President, California Farm Bureau Federation; and Mr. Bruce Goldstein, President, Farmworker Justice, Washington, DC. Rep Dan Lungren (Gold River) chaired the hearing, and Rep. Zoe Lofgren, Ranking Member of the Subcommittee, also attended. Both have been actively involved in the agricultural guestworker program issue.

Mr. Wenger began his testimony by stating that he was testifying “because farmers and ranchers across the nation need a solution that provides a legal workforce to cultivate and harvest our crops and tend our livestock. Any solution must be economically practical and recognize the value of the people who work in agriculture to provide Americans with products grown in the US.” He stated that California relies on the labor of at least 400,000 hired farm and ranch workers each year, and in 2009, only 3,503 farm jobs in California were certified for H-2A. Wenger said that even if the H-2A program could be substantially reformed, it would be insufficient to ensure an adequate farm labor workforce for the future.

He expressed concern with the mandatory E-Verify bill that the Committee approved last year. He opposed the bill because it “offered no solution to address the unique challenges that a national E-Verify mandate will create for agriculture.” He noted the recent experience in Georgia and Alabama, where strict immigration employment laws have resulted in significant crop losses because there is not a sufficient domestic workforce for agriculture.

He also stressed that many of the jobs in agriculture now require highly skilled workers. Many are required to operate sophisticated machinery now used in agriculture. Additionally, experienced farm workers, documented or not, must have hand/eye coordination learned over many years to know exactly at what point a fruit or vegetable is at the peak time for picking. He said that many farm workers earn the equivalent of $30-$35/hour, because of their experience and skill.

Mr. Goldstein testified that many undocumented farmworkers are often exploited. “Undocumented workers’ fear of deportation deprives them of bargaining power with their employers and inhibits them from challenging illegal employment practices. The presence of so many vulnerable farmworkers depresses wages and working conditions for all farmworkers, including U.S. citizens and lawful immigrants. . . Farmworkers’ incomes are very low. Poverty among farmworkers is more than double that experienced by other wage and salary workers.” He called for the legalization of the undocumented workforce and increase workers’ rights for this population. Farmworker Justice, he testified, “supports a program offering undocumented farmworkers the opportunity to earn legal immigration status. Such immigration reform should be accompanied by efforts to stabilize the farm labor force, including by ending discrimination in labor laws, improving wages and working conditions and modernizing labor relations in agriculture.”

For the testimony of the witnesses, go to: http://judiciary.house.gov.
HEALTH: ENERGY & COMMERCE EXAMINES GENERIC DRUG AND BIOSIMILARS USER FEES

On Thursday, February 9, 2012, the House Energy and Commerce Subcommittee on Health held a hearing entitled “Review of the Proposed Generic Drug and Biosimilars User Fees and Further Examination of Drug Shortages.”

Witnesses included: Janet Woodcock, M.D., Director, Center for Drug Evaluation and Research, Food and Drug Administration; Heather Bresch, Chief Executive Officer, Mylan, Inc.; David Gaugh, Vice President, Regulatory Sciences, Generic Pharmaceutical Association; and William Greene, Pharm.D, BCPS, FASHP, Chief Pharmaceutical Officer, Pharmaceutical Services, Member, Pharmaceutical Sciences, St. Jude Children’s Research Hospital.

Under the proposed generic drug user fee agreement, FDA and the industry have agreed that the generics industry would pay approximately $1.5 billion over five years, in return for more efficient and predictable review of generic drug applications and increased inspections of drug facilities. There would be two types of user fees: application and facility. There are approximately 3,000 generic applications in the backlog, and one of the goals of the generic drug user fee would be to eliminate this backlog in five years. Another goal would be to ensure that FDA could inspect all drug facilities, domestic and foreign, at an increased frequency.

FDA and the biosimilars industry also agreed to a proposed biosimilars user fee. Biosimilars are products approved under the abbreviated approval pathway for biological products shown to be highly similar to an FDA-licensed biological product. Under the proposed agreement, the following four types of fees would be authorized: application, product, establishment, and biosimilar product development. The first three would be set equal to the Prescription Drug User Fee Act (PDUFA) rate for each type of fee. The annual product development fee would be set at 10% of the PDUFA application fee for the respective year.

The hearing also addressed the ongoing problem with drug shortages. Shortages have more than tripled since 2005, adversely affecting all segments of the healthcare system, including delaying, and forcing changes to, treatment. The Subcommittee previously held a hearing on the subject in September 2011.

The testimony of the witnesses can be found at: http://energycommerce.house.gov/hearings.

RESOURCES: HOUSE SUBCOMMITTEE HOLDS HEARING ON SURFACE WATER STORAGE INFRASTRUCTURE

On February 7, 2012, the House Natural Resources Subcommittee on Water and Power held a hearing titled Water for Our Future and Job Creation: Examining Regulatory and Bureaucratic Barriers to New Surface Storage Infrastructure.

Witnesses included: Mr. Thad Bettner, General Manager, Glenn-Colusa Irrigation District, Willows, California; and Mr. Jerry Brown, General Manager, Contra Costa Water District, Concord, California.

Rep. Tom McClintock (Roseville), Chairman of the Subcommittee, said the focus of the hearing was "to consider what steps need to be taken to remove government-imposed impediments to the construction of new dams and reservoirs." He stated that the Bureau of Reclamation was tearing down dams to " placate the most extreme elements of the environmental left" and that "this shift of purpose is fast becoming a direct and imminent threat not only to the prosperity of the west, but to our very ability to support our population." He went on to provide California as an example, saying "California's 37 million people now rely on a water system built to support a population of just 22 million" and that dams and water storage capacity are vital to the state.

Mr. Bettner testified "New storage is vitally important to … all of Northern California because the federal Central Valley Project (CVP), which our water diversions are intertwined with, and the State Water
Project have both lost water supply yield and operational flexibility." He stated that the needs of the area's diverse and numerous crops, three Federal wildlife refuges and 50,000 acres of seasonally flooded wetlands, combined with booming population and little water infrastructure investment, necessitate increased water storage capacity. Without it, "a dim future for agriculture" lies ahead and "continued instability in water supplies... will threaten the economic health of the state as a whole," he said.

Mr. Bettner explained the challenges facing the North-of-the-Delta Offstream Storage (NODOS) analysis of a possible dam project – the Sites Reservoir – to be located 10 miles west of the town of Maxwell, California. He suggested that the Subcommittee address and "reduce regulator and bureaucratic barriers" having to do with statutory directives and deadlines, federal agency coordination, cost transparency, alternatives analysis, and budgeting. He also suggested the federal government create a Water Infrastructure Finance and Innovation Act (WIFIA) modeled after the "highly successful Transportation Infrastructure Finance and Innovation Act (TIFIA) program."

Mr. Brown testified on "what it takes to build new surface storage" and used his water district as an example, as it has "completed 100,000 acre-feet of new, off-stream surface storage at Los Vaqueros Reservoir, and is currently constructing the enlargement of that reservoir to 160,000 acre-feet." This project, he said, "is a model for what it takes to build new surface storage." From this experience, Mr. Brown summed up what it takes to accomplish large water infrastructure projects, saying that "listening to and adjusting for the interests of partners and stakeholders, not redirecting impacts, providing net environmental benefits, and having a strong business case" are essential.

For more information, see:

**Homeland Security: House Subcommittee Holds Hearing on Security of Maritime Supply Chain**


The focus of the hearing was to examine "the integrity of the supply chain, the government agencies whose job it is to screen and inspect cargo to secure our ports, and how the Obama Administration's new National Strategy for Global Supply Chain Security outlines the nation's plan to guard against these threats."

Witnesses included Mr. David Heyman, Assistant Secretary, Office of Policy, U.S. Department of Homeland Security (DHS); Mr. Kevin McAleenan, Acting Assistant Commissioner, Office of Field Operations, U.S. Customs and Border Protection, U.S. DHS; Rear Admiral Paul Zukunft, Assistant Commandant for Marine Safety, Security and Stewardship, U.S. Coast Guard, U.S. DHS; and Mr. Stephen Caldwell, Director, Maritime and Coast Guard Issues, Homeland Security and Justice Team, Government Accountability Office.

Mr. Heyman and Mr. McAleenan were joined by Rear Admiral Zukunft in offering joint testimony on behalf of DHS. DHS called the global supply chain system interconnected and multimodal, "encompassing foreign and domestic ports, transportation systems, conveyances and infrastructure." They went on to testify about DHS's current efforts to secure the supply chain by developing a National Strategy for Global Supply Chain Security (Strategy), as directed by the Security and Accountability for Every Port (SAFE Port) Act of 2006. They testified that the process of creating such a Strategy required "a broad, all-of-government effort that included input from public and private sector, international and domestic stakeholders." This Strategy, they emphasized, works hand in hand with previous efforts and seeks to align "U.S. and international security and resilience efforts."

DHS testified on several elements of the Strategy and its implementation, including:
- Current percentage rates of incoming port cargo that are scanned (5 percent)
Mr. Caldwell testified for the Government Accountability Office (GAO) saying, "DHS has made some progress in implementing technologies to improve container security," but remains behind in its mandate to implement scanning of 100 percent of incoming foreign sea cargo by July of this year. He testified that "uncertainty persists over how DHS and Customs and Border Patrol (CBP) will fulfill the mandate for 100 percent scanning given that the feasibility remains unproven in light of the challenges CBP has faced implementing [the Secure Freight Initiative pilot program] for 100 percent scanning." The deadline for 100 percent scanning remains July 2012, although DHS "expects to grant a blanket extension to all foreign ports pursuant to the statute, thus extending the target date to July 2014." He also told the Subcommittee that in 2009 the GAO recommended that DHS conduct a cost-benefit analysis to include in a legislative package that would propose a modification to the mandate; DHS has yet to do so, however.

As she questioned the witnesses, Chairwoman Candice Miller (MI) criticized DHS for not providing the required report proposing a revision to the current mandate that DHS scan 100 percent of port cargo. Chairman Miller specifically said that DHS Secretary Janet Napolitano "has mentioned on numerous occasions in front of this committee that she wants to work with the Congress to modify this requirement" but that the Subcommittee is still "waiting for her legislative proposal that will help move the country into a more risk-based system, as she's been saying for two years." Rep. Bennie Thompson (MS) went further, accusing DHS of failing to "make an honest effort to implement the mandate" despite the fact that Mr. Heyman previously testified that full 100 percent scanning could cost as much as $20 billion (an expensive price to pay for slowing commerce, as stated by some of the Subcommittee).

The Subcommittee has indicated that it expects to hold a series of hearings on the subject.

For more information, visit:

**TECHNOLOGY: SENATE HELP COMMITTEE EXAMINES ACCESSIBILITY OF TECHNOLOGY**

On February 7, 2012, the Senate Health, Education, Labor and Pensions (HELP) Committee held a hearing titled *The Promise of Accessible Technology: Challenges and Opportunities*. The hearing is part of a HELP series of hearings begun in March 2011 to explore issues that impact Americans with disabilities in employment. It is also the first in a new HELP series on the use of technology to improve student achievement.

Witnesses included Eve Hill, Senior Counselor to the Assistant Attorney General, Civil Rights Division, U.S. Department of Justice; Mark Riccobono, Executive Director, Jernigan Institute, National Federation of the Blind, Baltimore, MD; Dr. John B. Quick, Superintendent, Bartholomew Consolidated School Corporation, Columbus, IN; and Mark Turner, M.A., Director, Center for Accessible Media, Accessible Technology Initiative, California State University, Long Beach, CA.
Mr. Turner's testimony focused "on the issues faced by postsecondary institutions as they work to ensure that technology used to deliver educational programs and services are usable by all …irrespective of disability status." He stated that the California State University (CSU) has a long history of serving students and others with disabilities, including but not limited to persons with visual, hearing, communication, mobility, and Psychological/Psychiatric conditions. Mr. Turner also highlighted the importance of this work, stating that the disabled community has a "far higher unemployment rate" and "far lower labor force participation rate" than the greater community.

Mr. Turner highlighted the challenges the CSU faces in serving these persons. First, as technology itself rapidly changes, it also changes the educational landscape; these changes may improve but can also exacerbate accessibility. In addition, despite new changes, he said, "accessibility support for many educational technology products remains inadequate." Finally, he testified "accommodations associated with educational technology are a growing strain for postsecondary institutions."

Mr. Turner then detailed the CSU's Accessible Technology Initiative (ATI), including the Center for Accessible Media (CAM) and Accessible Technology Network (CSU ATN). This is a landmark system-wide program aimed at improving capacity, product accessibility, and capturing and capitalizing on lessons learned.

Finally, Mr. Turner offered the following suggestions for improvement:
- Require federal entities to ensure that procedures under Section 508 of the Rehabilitation Act (as amended by the Workforce Investment Act) are revised to more adequately address accessibility
- Require that technology products developed using federal grant funding conform to Section 508 standards
- Revise the scope, effectiveness, and function of the Copyright Act as amended (Section 121, the Chafee Amendment) to broaden the definition of individuals eligible for specialized formats, among other changes.

For more information, see: http://www.help.senate.gov/hearings/hearing/?id=15eea6a0-5056-9502-5d55-b899d73ef5f9.

**BRIEFING: INSTITUTE HOSTS CA SCHOOL BOARDS AT K-12 EDUCATION BRIEFING**

On Friday February 3, 2012, the California Institute sponsored a congressional staff briefing by the California School Boards Association (CSBA) on the state of K-12 education in California in 2012.

The briefing was presented by Dennis Meyers, Assistant Executive Director for Governmental Relations, and Erika Hoffman, Pr. Legislative Advocate. The presentation covered Governor Brown's state budget proposal and its implications for K-12 education.

Major elements discussed, as part of Governor Brown's proposal:
- Lack of recent Cost of Living Adjustments (COLA)
- Elimination of Transportation Funding
- Removal of Transitional Kindergarten mandate
- Elimination of 24 educational mandates, including but not limited to Behavioral Intervention Plans and Graduation Requirements (second science course), and the prospect that districts may not be able to realistically eliminate these programs, resulting in funding the programs without state support
- Suspension of another 24 mandates, including but not limited to the CA High School Exit Exam, Collective Bargaining, and the Open Meeting/Brown Act, and creation of a "mandate block grant" that schools could choose to take if they agree to implement these 24 suspended mandates
- Creation of a "weighted student formula" to allocate funds for the majority of the education code's programs, except for select programs, such as special education and child nutrition

Other topics discussed included:
- The affect of Delayed Principal Apportionment Funding or "deferrals" to schools, including the fact that passage of the Governor's proposal does not mean any new funding to schools in the first year, as new funds will go to "buy back" past deferrals
- Consequences if the Governor's proposal fails, including a CSBA estimated real cut to schools of $377 per student per year
- The feasibility of success of the Governor's proposal and the cost to get it on the ballot and passed
- Popularity and provisions of competing proposals by Molly Munger and by the California Federation of Teachers

For more information, see [http://www.csba.org/](http://www.csba.org/) or contact the California Institute at 202-785-5456.

**EDUCATION: LAO RELEASES REPORT ON PROPOSITION 98**

The Legislative Analyst's Office (LAO) released a K-12 education report on February 6, 2012 titled *The 2012-13 Budget: Proposition 98 Education Analysis.*

The report analyzes the Governor's proposed education package, which is expected to appear as an initiative on the November 2012 ballot. The report examines his Proposition 98 plan, including his general budget plan in regards to education, the contingency plans if the measure fails, and his multi-year plan aimed at paying down educational debt obligations.

In the report the LAO makes the following recommendations:
- designating new revenues for paying down existing K-14 payment deferrals;
- replacing the education mandate system with a discretionary block grant;
- adopting some version of the Governor's K-12 funding restructuring proposal, with general spending requirements that districts dedicate additional resources to their disadvantaged students;
- expanding community college categorical flexibility; and
- canceling initiation of the transitional kindergarten program scheduled to begin in 2012-13; and prioritizing access to subsidized preschool for affected low-income children.

For more information, see: [http://lao.ca.gov/laoapp/PubDetails.aspx?id=2556](http://lao.ca.gov/laoapp/PubDetails.aspx?id=2556)