ECONOMY: HOUSE PASSES JOBS BILL BY WIDE MARGIN

By a vote of 390-23, the House on Thursday, March 8, 2012, passed H.R. 3606, the Jumpstart Our Business Startups (JOBS) Act. The bill is intended to increase job creation and economic growth by improving access to the public capital markets for emerging growth companies.

The bill combines six bills, most of which have already passed the House with strong bipartisan support. Included in the new package are provisions to: ease Securities and Exchange Commission rules preventing small, privately held companies from using advertisements to solicit investors; allow companies to sell up to $2 million worth of securities without registering with the SEC; ease SEC filing requirements concerning the annual public offering threshold; raise the threshold for mandatory SEC registration to companies with 1,000 shareholders instead of 500; ease regulatory rules to reduce the costs of small and medium-sized companies going public; and increase the number of shareholders from 500 to 2,000 necessary to trigger an SEC registration requirement for a bank.

The White House has indicated support for the bill, but Senate Majority Leader Harry Reid (NV) has not yet indicated that he will take up the House bill on the Senate floor.

TRANSPORTATION: SENATE WORKING ON AMENDMENTS TO REAUTHORIZATION BILL; SPEAKER BOEHNER ANNOUNCES HOUSE WILL CONSIDER SENATE BILL

On Wednesday March 7, 2012, the Senate leadership announced that a compromise regarding amendments to its transportation package had been reached, allowing the Senate to hear amendments beginning Thursday.

The $109 billion two-year surface transportation package (S. 1813) may pass the upper chamber next week after floor votes are completed on the 30 amendments to be considered. Approximately 10 of those
amendments, beginning with those deemed non-germane, are expected to be heard on Thursday before the Senate completes its business for the week.

House Speaker John A. Boehner said Thursday that he will abandon attempts to bring the House transportation reauthorization package, H.R. 7, to the floor. The leadership was having trouble garnering sufficient support for the $260 billion, five-year House version, which has already been approved by the appropriate House committees. Instead, the Speaker said that the House will take up the Senate's version, or something similar, when it returns to work on March 19 after a week long break.

**Homeland Security: House Energy & Commerce Subcommittee Examines Cybersecurity and Communications Networks**

On March 7, 2012, the House Energy and Commerce Subcommittee on Communications and Technology held a hearing entitled: “Cybersecurity: The Pivotal Role of Communications Networks.” Witnesses were: Dr. Edward Amoroso, Chief Security Officer, AT&T Services, Inc.; Mr. David Mahon, Chief Security Officer, Century Link; Mr. Jason Livingood, Vice President, Internet Systems Engineering, Comcast Corporation; Mr. John Olsen, Senior Vice President & Chief Information Officer, MetroPCS Communications Inc.; and Mr. Scott Totzke, Senior Vice President, Blackberry Security Group.

Dr. Amoroso began by describing the evolving forms and methods of cyber attack threats, including the recent uses of “botnets,” which adversaries run to harness the power of dispersed personal computers and other smart devices attached to the national infrastructure and use them to attack others. He stated that the United States needs "to improve the overall cybersecurity posture of the nation by facilitating the widespread and rapid adoption of cyber threat detection and mitigation practices through private sector investment and innovation." He stressed that this must also be a global initiative given the global nature of the threats. He applauded the work of the Cyber Security Task Force, led by Rep. Mac Thornberry (TX), and its recommendations and urged Congress to use those recommendations as the framework for any proposed cyber legislation.

Dr. Amoroso cited several “foundational elements” that should guide cybersecurity efforts, including:

- the United States needs to build a collaborative active cyber-defense capability that builds upon well-established coordination processes that have been developed for assessing cyber threat risks to critical infrastructures and key resources (CIKR). He noted, in particular, H.R. 3523, the Cyber Intelligence Sharing and Protection Act, as a proposal that is advancing the discussion of the appropriate range and scope of cybersecurity activities and threat information sharing among all stakeholders. He also stated that leveraging "existing private sector capabilities and 'fusing' them with the classified threat warnings that only the Government can provide should be central to any legislative proposal on cyber threat information sharing."
- the United States government must lead by example, because it is the largest single purchaser of information technology and network services in the U.S. and, therefore, its leadership and buying power can have great influence on the cyber security marketplace.
- the U.S. must move forward "aggressively to create a comprehensive strategy for addressing global cooperation in cyber security."
Dr. Amoroso also noted certain elements of legislation that he believes might hinder rather than help cybersecurity efforts. He noted specifically the unintended consequences of regulations, from standardized certification regimes to the imposition of regulatory performance standards. He cautioned that "[s]uch proposals, while undoubtedly well-intentioned, are the antithesis of innovation – such requirements could have an unintended stifling effect on making real cyber security improvements."

For the testimony of all the witnesses, go to: [http://energycommerce.house.gov](http://energycommerce.house.gov).

**RESOURCES: Senate Subcommittee Holds Hearing On Establishing Sacramento-San Joaquin Delta National Heritage Area**

The Senate Energy and Natural Resources Subcommittee on National Parks held a hearing on Wednesday March 7, 2012 to review miscellaneous pending legislation, including S. 29, the Sacramento-San Joaquin Delta National Heritage Area Establishment Act.

Witnesses included: Dr. Stephanie Toothman, Associate Director, Cultural Resources, National Park Service, U.S. Department of the Interior; and The Honorable Michael J. Reagan, Supervisor, Solano County, California.

S. 29 would establish the Sacramento-San Joaquin Delta National Heritage Area. The Delta Protection Commission would act as the management entity for the area. Dr. Toothman stated that the Department of the Interior supports the goals of S. 29 but recommends that the Subcommittee defer action on the bill. She stated that the Department feels it is premature to recommend support for the proposed Sacramento-San Joaquin Delta National Heritage Area "without [completing] an evaluation of its feasibility." A feasibility study for the area is currently underway by the Delta Protection Commission. The National Park Service is reviewing the draft of that study for consistency with the International National Heritage Area Feasibility Guidelines. Dr. Toothman stated that the review should be complete by the end of May.

Mr. Reagan testified that the Delta area is a "unique and vital...treasure" to Solano, Sacramento, Yolo, San Joaquin, and Contra Costa counties. It deserves recognition as a Heritage Area as it clearly fits within the guidelines and contains all the requisite elements to be designated as such, he argued. It would further the State's efforts and recognize the Delta as "a place that merits national recognition," he concluded.

Mr. Reagan also described the Delta for the Subcommittee, saying that it is:

- A multi-use natural system of more than 700,000 acres and a unique "inverted delta" pointed inland.
- Located in a geographically and ecologically important location - the center of water in California. Most of the State's water drains through the Delta to the San Francisco Bay.
- The largest estuary on the west coast of both North and South America, and the second largest in the U.S.
- The home to a $36 billion agriculture industry, producing specialty crops such as peaches, plums, cherries, tomatoes, blueberries as well as cattle and sheep.
- A supplier of water to 23 million Californians and 3 million acres of farmland.
- An area of historical and multicultural importance.
- A habitat for more than 700 species of plants and wildlife as well as more than 50 species of fish.

EDUCATION: SENATE COMMITTEE HOLDS HEARING ON THE IMPORTANCE OF QUALITY 
EDUCATION TO AMERICA'S GLOBAL COMPETITIVENESS

The Senate Health, Education, Labor and Pensions Committee held a hearing on Thursday, March 8, 2012 titled "The Key to America's Global Competitiveness: A Quality Education."

Witnesses included: Jennifer Mann, Vice President, Human Resources, SAS Institute, Cary, North Carolina; Charles Kolb, M.A., J.D., President of the Committee for Economic Development (CED), Washington, D.C.; Eric A. Hanushek, Ph.D., Paul and Jean Hanna Senior Fellow, Hoover Institution, Stanford University, Stanford, California; and Richard Murnane, Ph.D., Juliana W. and William Foss Thompson Professor of Education and Society, Harvard University Graduate School of Education, Cambridge, Massachusetts.

Dr. Hanushek testified on "Alternate Economic Futures for the United States," calling U.S. education "mediocre." When the focus of policymakers is on short term recovery from this economic downturn, he said, "our children and their future" are neglected. He stated that long term economic growth is the largest determining factor for the "fate of the next generations" and that "the most important driver of economic growth is the skill of the labor force."

As U.S. students are well behind their peers in other developed countries, he said, the U.S. is thus on a "low-growth future path." If, for example, the U.S. were to bring student achievement up to the level of Canadian students, that improvement would represent an economic growth of $75-80 trillion (in present value). Dr. Hanushek also made clear "that this is not a problem of a few states doing badly" (California, for example, "is competing with Portugal and Greece") or a problem of hard-to-teach students. "The children of college-educated parents in Massachusetts," he said, "would still trail the average student in seven countries."

Dr. Hanushek said his message was simple: "The gains from improving our schools -- or the costs of not doing so -- are enormous. They are large enough that we should be willing to consider major alterations in policies," including improvements in teacher quality.

For more information: http://www.help.senate.gov/hearings/hearing/?id=a9d8260e-5056-9502-5d97-bcbec7f63d0c.

AGRICULTURE: SENATE COMMITTEE HOLDS HEARING ON 2012 FARM BILL

On Wednesday March 7, 2012, the Senate Agriculture, Nutrition and Forestry Committee held another in a series of hearings in preparation for drafting the 2012 farm bill. This hearing was titled "Healthy Food Initiatives, Local Production, and Nutrition."

Witnesses were heard in two panels. The first panel included the Hon. Tom Vilsack, Secretary, U.S. Department of Agriculture (USDA). The second panel included: Mr. Dan Carmody, President, Eastern Market Corporation, Detroit, MI; Mr. Ron McCormick, Senior Director of Local Sourcing & Sustainable Agriculture, Walmart Stores, Inc., Benton, AR; Mr. Jody Hardin, Farmer, Grady, AR; Ms. Anne Goodman, President and CEO, Cleveland Foodbank, Cleveland, OH; and Mr. John Weidman, Deputy Executive Director, Food Trust, Philadelphia, PA.

Items discussed at the hearing included:
- The USDA's Know Your Farmer, Know Your Food initiative and the growing interest in local food as one of the fastest growing segments of agriculture, with direct consumer sales doubling in the past decade to reach close to $5 billion in 2008.
- Support for young and beginning farmers in the face of an aging farming population, including the USDA's Beginning Farmer and Rancher Development Program (BFRDP).
- Other USDA programs to support access to healthy food, including those that support farmer's markets.
- A Supplemental Nutrition Assistance Program (SNAP) pilot program, which provides more benefits to those who use existing benefits to buy fruits and vegetables.
- Farm to School programs run by localities nationwide, which aim to bring healthier unprocessed food to school lunches directly from the producer.
- The concept of "food hubs," which are centers that can aggregate, process, store, and distribute product. These may allow farmers to work together to reach "critical mass" and be able to sell to groups such as schools.
- The role of food banks in the food access chain, and how they derive support from the Emergency Food Assistance Program (TEFAP).

For more information, go to: http://www.ag.senate.gov/hearings/healthy-food-initiatives-local-production-and-nutrition.

**Homeland Security: House Subcommittee Holds Hearing on Terrorists and Visa Overstay Problem**

On Tuesday March 6, 2012, the House Homeland Security Subcommittee on Border and Maritime Security held a hearing titled *From the 9/11 Hijackers to Amine el-Khalifi: Terrorists and the Visa Overstay Problem*. The hearing discussed foreigners who arrive in the U.S. legally but illegally overstay their visas. It focused specifically on scope, identification, prevention, and administrative systems as they pertain to the issue of "overstays," especially those that present a security risk to the U.S.

Witnesses included: Mr. John Cohen, Deputy Counter-Terrorism Coordinator, U.S. Department of Homeland Security (DHS); Mr. Peter T. Edge, Deputy Associate Director, Homeland Security Investigations, Immigration and Customs Enforcement (ICE), DHS; and Mr. David Donahue, Deputy Assistant Secretary of State for Consular Affairs, U.S. Department of State.

Subcommittee Chair Rep. Candice Miller (MI) opened the hearing, saying that since 9/11, the focus has been on securing the border. She went on to say that although this is necessary, the U.S. must also focus on "security of the visa system, including enhancements to Immigration and Customs Enforcement's ability to identify and promptly remove those who overstay their visas." According to the Chairwoman, 40 percent of all "illegal aliens" in the country are "overstays." A "robust visa exit system" must be implemented by DHS in order to ensure removal of those overstays that "pose national security and public safety threats," she said.

The two witnesses from DHS, Messrs. Cohen and Edge, testified jointly. They discussed ICE's Document and Benefit Fraud Task Forces (DBFTFs), which bring together a multitude of law enforcement jurisdictions to work together and "focus [ICE] efforts on detecting, deterring, and disrupting document and benefit fraud." He also outlined the Department's Visa Security Program (VSP), which "deploys trained special agents overseas to high-risk visa activity posts in order to identify potential terrorist and criminal threats before they reach the United States." This program is currently conducted in 19 high risk areas in 15 countries and has screened 452,352 visa applicants since the start of FY12. Mr. Cohen finally discussed the National Targeting Center (NTC) and the Counterterrorism and Criminal Exploitation Unit (CTCEU), which "is the first national program dedicated to the enforcement of nonimmigrant visa violations. Modernization efforts undertaken, including automation, real time, and online improvements, were also touched upon; as was the backlog of overstay files in need of review by DHS, enhanced biographic exit systems, and ICE's presence overseas and work with the Department of State (DOS).

Mr. Donahue explained that DOS "has developed and implemented an intensive visa application and screening process, requiring personal interviews in most cases" for those aged 14 to 79, with limited exceptions. DOS is now also "employing analytic interview techniques; and incorporating multiple biographic and biometric checks." This is "all supported" by an important "sophisticated global information technology network that shares data among the Department and federal law enforcement and intelligence
agencies." He shared some of DOS’s recent technology improvements, including the completion of the
online nonimmigrant visa application form and the current pilot of the online immigrant visa application
form. Mr. Donahue also outlined the Consular Lookout and Support System (CLASS), which stores 42.5
million records compiled in part with help from DHS, the FBI, and the Drug Enforcement Administration.
This system is used to research biographical information on visa applicants (in addition to their biometric
information, such as fingerprints). Mr. Donahue concluded his testimony with comments on the revocation
of visas.

For more information:
http://homeland.house.gov/hearing/subcommittee-hearing-911-hijackers-amine-el-khalifi-terrorists-and-visa-
overstay-problem.

SCIENCE AND R&D: SENATE SUBCOMMITTEE HOLDS HEARING TO EXAMINE
RESEARCH AND DEVELOPMENT'S EFFECT ON AMERICA'S COMPETITIVENESS

On Tuesday March 6, 2012, the Senate Commerce, Science and Transportation Subcommittee on
Science and Space held a hearing titled "Keeping America Competitive Through Investments in Research
and Development."

The hearing focused on the current state of federal research and development in the context of the
America COMPETES Reauthorization Act of 2010 and the President's fiscal year 2013 budget request. The
Subcommittee focused on progress made toward achieving the goals of America COMPETES, including
preparing a skilled workforce to meet the needs of the innovation economy, the use of public-private
partnerships to facilitate development of technologies for commercialization, and others.

Witnesses included: The Honorable John P. Holdren, Director, Office of Science and Technology
Policy, Executive Office of the President; The Honorable Patrick D. Gallagher, Under Secretary of
Commerce for Standards and Technology, Director, National Institute of Standards and Technology, U.S.
Department of Commerce; The Honorable Subra Suresh, Director, National Science Foundation; and Dr.
Mason Peck, Chief Technologist, National Aeronautics and Space Administration (NASA).

Mr. Holdren testified that the FY13 Budget continues investment in science and engineering research
to support the creation of new technologies, products, businesses, and industries. He explained that the FY13
budget for federal R&D is proposed at $140.8 billion for innovation in manufacturing, clean energy, and a
skilled workforce. Of the $140.8 billion, $64.9 billion will go to non-defense uses, an increase of 5.0 percent
over the FY 2012 enacted level. Mr. Holdren also discussed the functions and proposed budgets for the
"three jewel-in-the-crown agencies" in U.S. federal R&D - the National Science Foundation (NSF), the
Department of Energy's (DOE's) Office of Science, and the National Institute of Standards and Technology
(NIST). He also detailed the Administration's efforts in the areas of Science, Technology, Engineering, and
Mathematics (STEM) Education and Advanced Manufacturing, Innovation, Entrepreneurship, and Job
Creation.

Dr. Suresh discussed the NSF's proposed 2013 budget allocation. He called the budget "wise
stewardship of federal funding through innovative, targeted investments." The proposed budget for the NSF is
$7.373 billion, an increase of 4.8 percent over the FY 2012 enacted level. The request, he said, provides
"increased support for core programs in fundamental research and education in all fields of science and
engineering," including investments in STEM education, clean energy, and cyber security and infrastructure.
Dr. Suresh also outlined proposed cuts included in the budget request. These include the elimination of
Network Science and Engineering (NetSE); Social-Computational Systems; Cyber-Enabled Discovery and
Innovation (CDI); and the Interface between Computer Science and Economic & Social Sciences (ICES)
programs. Also eliminated or consolidated are two public outreach programs and programs regarding
nanoscience.
Mr. Peck discussed NASA's programs and technology efforts and the activities of the Space Technology Program and described the "tough, but sustainable, choices" NASA has made with regard to the proposed budget. The Space Technology Theme, which is run by the Office of the Chief Technologist (OCT), has a budget request of $699 million for 2013. This account encompasses the development of business partnerships, leads the Agency strategic road mapping efforts and manages NASA's technology transfer and commercialization, Peck stated. It also funds the development, testing, and evolution of an array of space technologies for human missions beyond low Earth-orbit (LEO), including propulsion, logistics and resupply, life sciences and human systems, communications, and many other areas, to safely extend human presence to multiple destinations throughout the solar system. Mr. Peck also outlined NASA's Crosscutting Space Technology Development account, for which the request is $293.8 million. According to his testimony, this account funds "crosscutting technologies that could benefit human exploration." Projects include one by Tustin, CA-based L'Garde Inc., which is developing the largest solar sail ever flown. Another is by Jet Propulsion Laboratory (JPL) in California, where a team is developing a Deep Space Atomic Clock.

For more information, visit: [http://commerce.senate.gov](http://commerce.senate.gov).

**HEALTH: HOUSE ENERGY & COMMERCE SUBCOMMITTEE CONTINUES PDUFA HEARINGS**


Witnesses included: Janet Woodcock, MD, Director, Center for Drug Evaluation and Research, U.S. Food and Drug Administration; John Maraganore, PhD., Chief Executive Officer, Alnylam Pharmaceuticals; Jeff Allen, PhD., Executive Director, Friends of Cancer Research; Barry Eisenstein, MD, FACP, FIDSA, FAAM, Senior Vice President, Scientific Affairs, Cubist Pharmaceuticals; John H. Powers, MD, FACP, FIDSA, Assistant Clinical Professor of Medicine, George Washington University School of Medicine; Michael D. Walsh, President, LifeGas, on behalf of the Compressed Gas Association; Shawn Brown, Vice President, State Government Affairs, Generic Pharmaceutical Association; Elizabeth A. Gallenagh, JD, Vice President, Government Affairs, General Counsel, Healthcare Distribution Management Association; Tim Davis, Pharm.D., Beaver Health Mart Pharmacy, on behalf of the National Community Pharmacists Association; and Allan Coukell, Director, Medical Programs, Pew Health Group, The Pew Charitable Trusts.

Issues discussed at the hearing, included:

- whether FDA’s accelerated approval process is being sufficiently utilized in the case of finding treatments for rare diseases;
- whether FDA should develop new, targeted regulations for medical gases, because they involve unique manufacturing and distribution processes that do not fit well into FDA’s current regulations for drugs;
- whether financial incentives and regulatory improvements at FDA would spur antibiotic development and thus improve the state of the antibiotics pipeline; and
- securing the downstream pharmaceutical supply chain against counterfeit or stolen drugs; and
- whether State laws requiring those involved in the downstream supply chain to keep pedigrees or transaction histories of drugs should be replaced with a uniform, practical and cost-efficient national policy.

**Homeland Security: House Judiciary Committee Approves Legislation On Border Tunnels**

The House Judiciary Committee, on Tuesday, March 6, 2012, approved a proposal that would enhance federal law enforcement agencies' ability to fight illegal drug trafficking through underground tunnels that span the southwestern U.S. border with Mexico. H.R. 4119 was passed by voice vote.

H.R. 4119 builds upon its predecessor, PL 109-295, a law implemented in the mid-2000s. That law made construction or financing of unapproved smuggling tunnels that cross the U.S.-Mexico border a criminal offense punishable by prison sentences of up to 20 years. It also allowed prosecutors to bring charges against homeowners or landowners who ignore such tunnels, which currently carries a sentence of up to ten years in prison. While smuggling of drugs and weapons was already illegal when PL 109-295 passed, that bill extended sentences for those crimes if tunnels were used.

H.R. 4119 is intended to provide the officials who secure the border with "enhanced investigative and prosecutorial tools." According to the bill's supporters, as tunnels are becoming more numerous and technologically sophisticated – some have rail systems and lighting – more enforcement power is needed. Specifically, as reported, H.R. 4119 would hold those who attempt to finance, construct, or use a tunnel to the same punishment of those who actually do so. It also would give extended powers to the Justice Department (DOJ), including allowing DOJ intercept communications that could be used to prove a tunnel's construction, existence, or use (the DOJ would have to obtain a court order prior to use, however).

Land property used for tunnels would become subject to criminal forfeiture and anything brought through a tunnel to the U.S. would be subject to civil asset forfeiture. It would also change money laundering laws, making use of a border tunnel an official "specified unlawful activity."

The new proposal would also add reporting requirements, mandating that the Department of Homeland Security (DHS) inform Congress on a yearly basis about new discoveries of tunnels. In addition, DHS would be required to report on what is required for it to successfully prevent, investigate and prosecute illicit tunneling activities. The bill also encourages DHS to reach out to renters and home and land owners in areas that are used heavily for tunneling.

A similar measure (S. 1236) was passed by the Senate without contention earlier this year.

For more information, visit: http://judiciary.house.gov/hearings/Markups%202012/mark_03062012.html.

**Immigration: House Subcommittee Holds Hearing on Deportation Bill**

On March 7, 2012, the House Subcommittee on Immigration Policy and Enforcement held a hearing to review H.R. 3808, the "Scott Gardner Act." The Act would allow the federal government to take into custody and deport an alien who is unlawfully in the United States and is arrested by a state or local law enforcement officer for driving while intoxicated or a similar violation. According to the Subcommittee, the bill is named for a Gaston county, NC, man who was killed by an illegal alien driving drunk.

Witnesses were heard on two panels. The first included: Reps. Sue Myrick (NC), Mike McIntyre (NC) and Charles Gonzalez (TX). Panel two included testimony from: Mr. Charles Jenkins, Sheriff, Frederick County Sheriff's Office, Frederick, MD; Ms. Jessica Vaughan, Policy Director, Center for Immigration Studies; Mr. Brian McCann, Chicago, IL; and Mr. Chris Burbank, Chief of Police, Salt Lake City Police Department.

According to Rep. Myrick, the Act would allow local or state law enforcement officers to issue a federal detainer for any individual who is in the country illegally and has been arrested for driving while intoxicated. In addition, it would require the Department of Homeland Security to reimburse local law enforcement for the cost of transferring any such individual(s) into federal custody. Finally, the legislation would mandate that DHS prioritize deportation of any illegal immigrant arrested for DWI.
Rep. Charles Gonzalez opposed the bill, stating that it is "probably unconstitutional" and would "create additional problems for our country and for state and local law enforcement." He said the bill would not stop drunk driving, but instead force "state and local police to spend their time and money on immigration duties for which they haven't been trained and that aren't their job."

Other items discussed:
- Statistics on illegal alien drunk driving arrests and removals, including information on illegal aliens who are repeat offenders.
- Gaps in the identification, detention, and deportation system within the Immigration and Customs Enforcement Agency (ICE), as related to illegal immigrants who commit crimes such as DWI.
- Local sanctuary policies and their effect on ICE's ability to address criminal aliens.
- Possible negative consequences of the bill, including that it might create a de facto mandatory detention program, putting added stress on already strained state and local police forces as well as jails and prisons.

For more information, go to: http://judiciary.house.gov/hearings/Hearings%202012/hear_03072012_2.html.

STATE BUDGET: NEXT10 LAUNCHES NEW CALIFORNIA BUDGET CHALLENGE WEBSITE

In early March 2012, Next 10 launched a brand new update to the California Budget Challenge -- www.budgetchallenge.org -- which is an online budget simulator that walks users through spending and revenue policy options to balance California's current $9.2 billion deficit. This update features an all new tool, with new design, new features, more policy choices, and new content. It is a significant nonpartisan resource for all Californians, as a recent poll showed that 71% have been affected by budget cuts over the last three years. With the new budget simulator California residents can try their hand at balancing the state budget. Users decide how much to spend on education, prisons and healthcare, then they choose whether to raise or lower taxes.

Next 10 created the California Budget Challenge in 2005 to educate citizens about the state budget and the tradeoffs that are made to bring the budget into balance.

Next 10 is a nonpartisan organization focused on the economy and quality of life issues for Californians.

To take the Budget Challenge, go to http://www.budgetchallenge.org. For more information on Next10, go to: http://www.next10.org.