BRIEFING: INSTITUTE TO HOST CA SCIENCE & TECH COUNCIL BRIEFING

On Wednesday, January 23, 2013, the Institute will host a congressional luncheon briefing featuring a presentation by the California Council on Science & Technology on Innovate 2 Innovation: Water and Education Update. The lunch will be held from Noon - 1:30 P.M. in B-354 Rayburn House Office Building, Washington, D.C. The briefing will be on the work performed on the recommendations of CCST's Innovate 2 Innovation study from 2011 - focusing on water issues and education.

**Water Issues:**

"Science and Technology for California's Water Future" is a project to determine how innovations in science and technology can be used to improve California's integrated water management. CCST is working to identify basic technologies and research areas being pursued by various groups in California, including those of interest to the California Department of Water Resources (DWR). The project plan has been developed in collaboration with DWR; the project results will inform the work of the Water Technology Caucus convened to develop a Water Technology Innovation Roadmap for the California Water Plan Update 2013.

**Education Update:**

"California Teacher Advisory Council: Digitally Enhanced Education in California" has been working to implement the recommendations in the "innovate to innovation" (i2i) report on Digitally Enhanced Education. The main outcomes of the group's work have been generated by the Cal TAC workshops and symposia, and white papers associated with them. Each event was carefully designed to enable participants to explore various aspects of digital learning, provide opportunities for candid discussion of the efficacy of digitally enhanced education, connect innovators to enable the sharing and advancement of new ideas, and engage members of the policy community, early on, to strengthen the connection between policy and practice.

CCST is a nonpartisan, impartial, not-for-profit 501(c)(3) corporation established via the California Legislature in 1988. It is designed to offer expert advice to the state government and to recommend solutions to science and technology-related policy issues.

For assessing compliance with Congressional gift ban rules, note that the California Institute is a 501(c)(3) charitable nonprofit organization that employs no lobbyists. We anticipate this will be a widely-attended event.
The California Institute wishes to express its gratitude to the following donors for their generous support, without which our work would not be possible.

**BENEFACTORS**
- AT&T Center for California Studies, CSUS
- PG&E Corporation
- Sempra Energy
- Southern California Edison
- University of California
- Verizon Foundation

**SPONSORS**
- Assn of California Water Agencies
- Bay Area Economic Forum
- California Association of Realtors
- CA Council Science & Technology
- California Farm Bureau Federation
- California Federation of Teachers
- California Institute of Technology
- California School Boards Association
- CA State Association of Counties
- Chevron
- Diesel Technology Forum
- Metropolitan Water District of So. Calif.
- San Bernardino Valley MWD
- University of Southern California

---

To attend the lunch on January 23rd, please RSVP to the California Institute at 202-785-5456 or sullivan@calinst.org.

**BRIEFING: INSTITUTE TO HOST CA SCHOOL BOARDS BRIEFING**

On Friday, January 25, 2013, the California Institute will host a congressional staff featuring a presentation by the California School Boards Association on the status of K-12 education issues in 2013. The briefing will take place from 2:00 - 3:00 P.M. in 2103 Rayburn House Office Building, Washington, D.C.

The briefing will be presented by Dennis Meyers, Assistant Executive Director for Governmental Relations, and Erika Hoffman, Legislative Advocate, of the California School Boards Association. It will cover Governor Brown's state budget proposal and its implications for K-12 education and CSBA's priorities for the federal Elementary and Secondary Education Act (ESEA) reauthorization.

The California School Boards Association is a collaborative group of virtually all of the state's more than 1,000 school districts and county offices of education. It brings together school governing boards and their districts and county offices on behalf of California's school children.

To attend the briefing on January 25th, please RSVP to the California Institute at 202-785-5456 or sullivan@calinst.org.

**STATE: GOVERNOR BROWN RELEASES BUDGET PROPOSAL FOR 2013-14**

Governor Jerry Brown released his budget proposal on January 10, 2013 outlining the Governor's broad goals and objectives for 2013-14 as well as providing detailed statewide financial information. The Governor's budget proposal reflects previous Legislative Analyst Office (LAO) findings that projected a healthier economy, increased revenues, and, consequently, a budget surplus by the end of 2012-13. As a result, the Governor proposed a 4.5 percent increase in special funding from 2012-13. However, it is worth noting that the LAO does not project a sizeable reserve under the Governor's plan by the end of 2016-17, and increased uncertainty surrounding federal fiscal policy remains. Additionally, the proposal does not address large unfunded liabilities associated with the teachers' retirement system and state retiree health benefits. Thus, in the coming years, the state will continue to face difficult budget choices and federal fiscal volatility, even in a much-improved economic environment. The California State Association of Counties has also prepared a report on the proposal, Highlights of the Governor's Proposed 2013-14 State Budget. It can be found at: http://ddcache2.net/csaccounts.SE310/sites/main/files/file-attachments/final_governors_budget_release_1_10_13.pdf.

Highlights of the Governor's Budget include:
- The Governor proposes $138.6 billion in General Fund and special fund spending in 2013-14, up 4.5 percent from 2012-13.
- Due to significant improvement in the state's finances, including the economic recovery, prior budgetary restraint, and voters' approval of temporary tax increases, the Governor projects a $2.4 billion operating surplus for 2012-13 that will pay off the $2.2 billion deficit that remained after 2011-12.
- The proposed budget estimates that the General Fund will end 2013-14 with a $1 billion reserve.
- The administration projects that future General Fund revenues will exceed expenditures annually -- thereby producing annual operating surpluses of at least $47 million (in 2014-15) and as much as $994
million (in 2016-17). By the end of 2016-17, the administration projects the accumulation of a $2.5 billion General Fund reserve.

- The budget contains major education proposals, including a new formula for financing schools. The new formula allows more local control because it has virtually no state requirements for programmatic spending. The spending plan also includes substantial funding to pay down existing K-14 payment deferrals.
- The proposal increases total Proposition 98 funds for K-12 education, California Community Colleges, preschool, and various other state education programs by $2.7 billion.
- By changing the method used by multistate businesses in determining their state taxable income, Proposition 39 (2012) increases corporate tax revenues. In addition, Proposition 39 requires that half of the new revenues fund energy efficiency programs through 2017-18. The budget proposes to use that funding for projects at schools and community colleges.
- The budget package proposes a 5 percent base increase ($125 million each) in 2013-14 for the University of California (UC) and California State University (CSU). Due to increased funding, the Governor expects tuition levels to remain flat through 2016-17.
- The package also lists options for expanding Medi-Cal under the federal Affordable Care Act (ACA). The ACA provides states with the option to expand Medi-Cal coverage to certain adults with incomes up to 138 percent of the federal poverty level who are not currently eligible. The budget package suggests two alternatives for this optional expansion -- one in which the state would administer an expanded version of its current Medi-Cal Program and another in which counties administer the expansion while meeting state eligibility requirements.
- The budget eliminates a group of selected budgetary obligations, totaling around $30 billion.
- Some observers say that if California encounters resistance from federal judges in returning the state prison system to state control, continued federal oversight could force the state to spend millions more on prisons than Governor Brown had accounted for.
- The proposal also assumes millions in savings from In-Home Supportive Services (IHSS), which helps pay for services provided to low-income elderly, blind or disabled individuals; however, a recent lawsuit by patient care advocates challenging the cuts is pending before a federal appellate court this spring.
- The Governor's budget also seeks to renew several hospital-related fees, which require approval from the State Legislature.


REPORT: UC-BERKELEY/UCLA STUDY FINDS "MINIMAL" COST TO EXPANDING MEDI-CAL

The UC Berkeley Center for Labor Research and Education and the UCLA Center for Health Policy Research released a report in January 2013, entitled Medi-Cal Expansion under the Affordable Care Act: Significant Increase in Coverage with Minimal Cost to the State. The report was authored by Laurel Lucia, Ken Jacobs, Greg Watson, Miranda Dietz, and Dylan H. Roby.

The report examines the impact on the state of California if it expands the Medi-Cal program under the provisions of the federal Affordable Care Act. The Act gave states the ability to expand Medicaid coverage to individuals with incomes of up to 138% of the federal poverty level.

California currently provides Medi-Cal coverage to about eight million residents. The authors conclude that the "Medicaid Expansion under the Affordable Care Act offers California the opportunity to
provide coverage to more than 1.4 million Californians, improving their health outcomes and strengthening the California economy by bringing in several billion dollars in federal Medi-Cal funding annually. At least 85 percent of the spending related to the Medi-Cal changes, including increased enrollment among those who are already eligible, will be paid by the federal government. Most of the new General Fund spending will occur because of mandatory changes to Medicaid rules and will occur whether or not California expands coverage to newly eligible low-income adults, many of whom are without children under age 18 at home."

To obtain the report, go to: http://laborcenter.berkeley.edu/healthcare/medi-cal_expansion13.pdf.

**REPORT: MIGRATION POLICY REPORT ON IMMIGRATION ENFORCEMENT; CENTER FOR IMMIGRATION STUDIES CRITICIZES REPORT**

The Migration Policy Institute (MPI) released a report on January 7, 2013 assessing the growth of immigration enforcement and corresponding rise in expenditures since the 1980s. The MPI cites the defects in the Immigration Reform and Control Act of 1986 (IRCA), which marked the beginning of the current immigration enforcement era, unprecedented job growth in the 1990s and 2000s, and migration "push" factors in Mexico and Central America, as the primary reasons for increased immigration enforcement over the past two decades. As a result, the U.S. now spends more on immigration enforcement than on all other federal criminal law enforcement agencies combined, according to the report, and nearly $187 billion was spent on federal immigration enforcement over the past 26 years.

Other findings in the report include:
- Immigration enforcement spending, including spending on the Customs and Border Patrol, Immigration and Customs Enforcement, the Department of Homeland Security’s primary immigration enforcement technology initiative, and the US Visitor and Immigrant Status Indicator Technology (US-VISIT) program, reached $17.9 billion in FY 2012. In comparison, total spending for all other federal criminal law enforcement agencies (the Federal Bureau of Investigation, Drug Enforcement Administration, Secret Service, U.S. Marshals Service and Bureau of Alcohol, Tobacco, Firearms and Explosives) stood at $14.4 billion in FY 2012.
- As a result of the marked increase in the interplay between immigration enforcement and the criminal justice system, more than 4 million non-citizens, primarily unauthorized immigrants, have been deported from the United States since 1990, with removals rising from 30,039 in FY 1990 to 391,953 in FY 2011.
- Today, more than half of all federal criminal prosecutions are brought for immigration-related crimes.
- Fewer than half of the non-citizens deported from the United States are removed pursuant to a formal hearing before an immigration judge, with the majority removed by the Department of Homeland Security (DHS) via its administrative authority.
- The nearly 430,000 non-citizens detained in the immigration detention system in FY 2011 exceeded the number serving sentences in federal Bureau of Prisons facilities for all other federal crimes.
- Border patrol apprehensions fell from a peak of more than 1.6 million to 340,252 between 2000 and 2011 while staffing and infrastructure have reached historic highs.
- The MPI found that the Border Patrol has steadily shifted from voluntary return as the prevailing enforcement response to illegal crossing to a variety of other more aggressive actions, including criminal prosecution.
- The MPI also found significant improvements in the nation's VISA and travel screening systems and capabilities since 9/11.
- While the MPI praised recent investments in information technology exchange, it criticized the "uneven" distribution of funds in favor of border security as opposed to interior enforcement and legal immigration processes.
- MPI praised the federal government's "partial solution" of E-Verify, a voluntary electronic employment verification system. Currently, less than 10 percent of the nation's 7 million or more employers are enrolled in E-Verify, but the program is becoming more widely accepted.

For more information on the MPI report, go to: http://www.migrationpolicy.org/pubs/enforcementpillars.pdf.

The Center for Immigration Studies, however, took strong exception to the MPI report, saying it "paints a deliberately misleading picture of the state of immigration law enforcement," and is "riddled with false statements, cherry-picked statistics, and inappropriate comparisons." To obtain CIS’s rebuttal, go to: http://cis.org/Announcements/Immigration-Enforcement-United-States-Rise-Formidable-Machinery?utm_source=E-mail+Updates&utm_campaign=5369b036db-MPI+Jessica&utm_medium=email.

**BRIEFING: THE CENTER FOR IMMIGRATION STUDIES HOLDS BRIEFING ON "AMNESTIES - PAST, PRESENT, FUTURE"

The Center for Immigration Studies (CIS) hosted a panel discussion, Amnesties: Past, Present, Future, on January 14, 2013 at the National Press Club, which examined amnesty history and effectiveness.

Panelists included: Mark Krikorian, Executive Director, CIS; Rep. Lamar Smith (R-TX), Chair of the House Judiciary Committee; Jessica Vaughan, Director of Policy Studies, CIS; Jon Feere, Legal Policy Analyst, CIS; and David North, Fellow, CIS.

Topics discussed included:
- The discussion largely centered around the Department of Homeland Security Deferred Action for Childhood Arrivals program (DACA), which can delay removal or other immigration enforcement action for childhood arrivals for a period of two years if the applicant meets certain qualifications.
- Panelists uniformly criticized DACA, referring to it as a "mass amnesty" program that fails to adequately identify fraudulent applicants.
- Panelists also discussed previous amnesty programs that allegedly lacked sufficient enforcement that may have led to fraudulent admissions and expressed strong concern that future programs would lead to similar levels of fraud.
- Most panelists called for a universal workplace compliance and enforcement system using tools such as E-Verify and Social Security monitoring.
- When posed with a question regarding potential support for amnesty, Mr. Krikorian noted that enforcement should be "fixed" before legislators consider implementing amnesty programs.

For more information, go to: http://cis.org/Announcements/Amnesty-Panel-Discussion-01142013.