BUDGET: HOUSE PASSES SHORT TERM DEBT LIMIT INCREASE; TIES BUDGETS TO CONGRESSIONAL PAY

On January 23, 2013, the House passed by a vote of 285-144, H.R. 325 to allow the U.S. debt ceiling to rise. Under the bill the current debt limit of $14.294 trillion would increase through May 18, 2013 as needed, allowing the United States to meet its financial obligations. After May 18th, the current ceiling would be permanently increased to meet the level of debt accrual in the months before then.

As part of the proposal, the bill includes a provision that would withhold paying House and/or Senate members unless their respective chamber has passed an FY 2014 budget resolution by April 15th. To meet constitutional proscriptions, the money would be held in escrow until either a budget is passed or the end of the 113th Congress.

Senate Majority Leader Harry Reid (NV) and the White House have indicated they will move to enact the measure, allowing the parties more time to continue negotiating overall budget decisions.

Under the leadership of Rep. Paul Ryan (WI), Chair of the House Budget Committee, the House leadership’s plan is to pass a budget resolution that would produce a balanced budget within 10 years, much sooner than previous House-passed budgets that projected a balanced budget by about 2040.


NATURAL RESOURCES: CORPS OF ENGINEERS ASSESSES DEFICIENT STATE OF LEVEES

The United States Army Corps of Engineers has determined that hundreds of flood control systems throughout the United States are woefully deficient. The findings were reported by the Associated Press in a January 17, 2013 article. Through inspections, the Corp found specifically that of the 60 percent of structures for which it has issued ratings, 326 levees nationwide covering more than 2,000 miles were in urgent need of repair. Among those deemed “unacceptable” by the Corps, is the 42-mile-long levee along the Sacramento and American rivers that protects the Natomas area, a flood-prone basin transformed from cropland into a community of 100,000 with an airport.

After Hurricane Katrina, California voters approved nearly $5 billion in bonds to shore up the state’s aging flood protection system. With more than half the money spent, however, officials say they need up to $12 billion more to complete the project. In Natomas, about half the $810 million needed for upgrades has been raised from state and local sources, and much work has already been completed. The city is seeking
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Federal financing to complete the remaining projects. According to Sacramento’s vice mayor, Angelique Ashby, the unacceptable rating for the Natomas region’s levee system led federal emergency officials to impose strict building limits that have prevented homeowners from making repairs and delayed construction of schools and a police station. Ashby stated that a levee system failure in the Natomas region would be "beyond catastrophic."

For more information on the Corps’ ratings for California’s and the nation’s levees, go to:

For the AP article, go to:

**Defense: RAND Reviews Potential Defense Department Budget Cuts**

The RAND Corporation released a report on Friday, January 18, 2013 examining various strategies regarding how the Department of Defense (DoD) might execute deeper reductions in the defense budget.

In January 2012, Defense Secretary Leon Panetta announced $487 billion in DoD reductions over the next decade. Additionally, the June 2011 Budget Control Act calls for sequestration of $1.2 trillion from the discretionary accounts of the federal budget beginning in 2013 if Congress does not agree on a substitute plan. Accordingly, sequestration could result in further cuts of up to $500 billion from the DoD budget. In this context, RAND researchers suggested determining reductions through a strategy-based approach that prioritizes challenges and risks instead of pursuing more across-the-board-cuts that can produce more indiscriminate risks.

In its report, RAND analyzed and assessed the relative merits of three strategic directions that the DoD could assume: (1) assume violent extremism and related insurgencies will outlast efforts in Iraq and Afghanistan and remain a serious threat to the United States and its interests, and maintain readiness to respond to that threat; (2) cede more responsibility to allies to take the lead in defense of shared interests in their region, particularly when allies’ specific regional interests are greater than those of the U.S., and redouble efforts to build up the capacity of new partners; and (3) focus on the Asia-Pacific region while accepting even deeper cuts in forces focused on the European and Central Command regions than previously called for.

Issued discussed in the report include:
- Assessment of Strategy #1 – Maintaining Readiness: This alternative retains the capability to commit sizable U.S. land forces for counterinsurgency and stabilization operations. Ground forces would not be scaled back beyond the reductions outlined by Defense Secretary Leon Panetta in January 2012. However, aviation and maritime forces would be drawn down further than currently planned.
- Maintaining threat readiness means U.S. local partners could remain dependent on the U.S. for their security and that technologies critical for future defense challenges might receive inadequate investment. The intent to strengthen forces earmarked for the Asia-Pacific region could not be implemented, according to RAND.
- Assessment of Strategy #2 – Ceding Responsibility: This option would include ceding to NATO allies the lead responsibility for security around the Mediterranean perimeter, for counterpiracy operations in
the Red Sea and the Gulf of Aden, and for the bulk of ground and tactical air forces to deter Russia from coercing or invading NATO countries in Central Europe.

- In ceding responsibility, allies might not pick up leadership in defense of common interests, leaving those interests more exposed. There is also the risk that building the capacity of partner security forces will not succeed due to ineffective or illegitimate governments, the report says.

- Assessment of Strategy #3 – Shift Focus to East Asia: This option posits that the center of gravity of U.S. defense challenges is shifting, and will continue to shift, from Europe and the Middle East toward Asia and the Western Pacific. This would reduce demands for U.S. ground forces and short-range tactical aircraft, which have proven more critical to operations in the Greater Middle East than to those in the Western Pacific.

- Focusing on East Asia could spell trouble if the extremist threat to U.S. interests in the Central Command region does not recede, RAND states. Also, the U.S. focusing its military on the Western Pacific might cause China to intensify its own military modernization efforts.

For more information, go to: http://www.rand.org/pubs/occasional_papers/OP379.html#abstract

**IMMIGRATION: GOVERNMENT ACCOUNTABILITY OFFICE RELEASES REPORT ON EMPLOYEE AND PROGRAM INTEGRITY**

The Government Accountability Office (GAO) released a report titled *Border Security: Additional Actions Needed to Strengthen CBP Efforts to Mitigate Risk of Employee Corruption and Misconduct*, on December 4, 2012 evaluating the U.S. Customs and Border Protection's (CBP) efforts, particularly by the CBP's Office of Internal Affairs (CBP IA), in promoting the integrity of CBP’s workforce, programs, and operations. Specifically, the report examined (1) data on arrests of and allegations against CBP employees for corruption or misconduct, (2) CBP’s implementation of integrity-related controls, and (3) CBP’s strategy for its integrity programs. The report was requested in light of recent evidence that drug-trafficking and other transnational criminal organizations were seeking to target CBP employees with bribes to facilitate the illicit transport of drugs, aliens, and other contraband across the southwest U.S. border, in particular.

Among the findings GAO made are:

- Arrests of CBP employees for corruption-related activities since fiscal years 2005 account for less than 1 percent of CBP's entire workforce per fiscal year. The majority of arrests of CBP employees were related to misconduct. There were 2,170 reported incidents of arrests for acts of misconduct such as domestic violence or driving under the influence from fiscal year 2005 through fiscal year 2012.

- A total of 144 current or former CBP employees were arrested or indicted for corruption-related activities, such as the smuggling of aliens and drugs, of whom 125 have been convicted as of October 2012.

- CBP employs screening tools to mitigate the risk of employee corruption and misconduct for both applicants (e.g., background investigations and polygraph examinations) and incumbent CBP officers and Border Patrol agents (e.g., random drug tests and periodic reinvestigations). However, CBP's Office of Internal Affairs (IA) does not have a mechanism to maintain and track data on which of its screening tools (e.g., background investigation or polygraph examination) provided the information used to determine which applicants were not suitable for hire.

- CBP does not have an integrity strategy, as called for in its Fiscal Year 2009-2014 Strategic Plan. CBP IA's Assistant Commissioner stated the agency has not set target timelines for completing and implementing this strategy. Moreover, he stated that there has been significant cultural resistance among some CBP components in acknowledging CBP IA's authority for overseeing all integrity-related activities.

- The GAO recommended that the CBP, among other things, (1) track and maintain data on sources of information used to determine which applicants are unsuitable for hire; (2) assess the feasibility of expanding the polygraph program to incumbent officers and agents; (3) consistently conduct quality assurance reviews; (4) and set timelines for completing and implementing a comprehensive integrity strategy.
- At the time of publication of this report, the Department of Homeland Security had concurred with
the aforementioned recommendations and reportedly began its implementation process.

CRIMINAL JUSTICE: U.S. DISTRICT COURT REPORTS ON STATE’S REGAINING CONTROL
OF CA INMATE HEALTH CARE

Matthew Lopes, who is the Special Master for the U.S. District Court for the Eastern District of
California, filed a 609-page report on Friday, January 18, 2013 examining the state of the mental health
system in California state prisons. Lopes advises the federal judges who will rule on Governor Brown's
court motion to end the long-running class-action lawsuit over substandard treatment in prisons. Governor
Brown is also asking federal judges to lift a cap on the number of inmates, saying it would be too dangerous
to release more prisoners. Federal judges had ruled in 2009 that reducing crowding was the only way to
improve unconstitutionally poor treatment of physically and mentally ill inmates, a decision upheld by the
U.S. Supreme Court in 2011. The state is supposed to reduce the population of its 33 adult prisons to a total
of 110,000 inmates by June, but is on track to exceed that limit by about 10,000 inmates.

The state said in a court filing earlier this week that it had missed December's court-ordered
benchmark for reducing the population and will miss the final deadline in June despite sending thousands of
less-serious offenders to local jails instead of state prisons under a prison revamp – the so-called
"Realignment." Governor Brown argued that the state already has brought conditions up to constitutional
standards and should not be forced to further reduce the inmate population. In his report, Lopes ultimately
disagrees with Governor Brown's call for ending federal oversight of the Californian prison health care
system, citing significant unresolved health care issues.

Issues discussed in the report include:
- In reaching his conclusion, Lopes cited dozens of suicides last year, long isolation instead of
treatment and lapses in care as reasons federal oversight should continue.
- Lopes said there were at least 32 suicides in state prisons last year, averaging one every 11 days,
which translates to almost 24 suicides per 100,000 inmates, a 13% increase over 2011 and well above the
national suicide rate of 16 deaths per 100,000 prisoners. Moreover, fewer than one out of four prisons hold
suicide prevention team meetings as required and only three prisons complied with the requirement for
five-day follow-ups with inmates discharged from crisis care.
- The report also indicated that 11 outpatient care hubs in the prison system still conduct inmate
counseling sessions in public, despite the need for confidential settings, and 10 of those hubs fail to offer at
least 10 hours of structured therapy per week, a provision Lopes said "should be made a priority."
- Also, a training program designed to help prison guards interact with mentally ill inmates and
mental health providers showed no improvement in use-of-force incidents or missed treatment sessions.
- Finally, Lopes documented instances of mentally ill inmates being housed for extended periods in
isolation units. At Kern Valley State Prison, mentally ill offenders had been isolated as long as 292 days. The
court compliance rate is 30 days.

Lopes' assessment came after he visited two-thirds of California's prisons. He had intended to see all
33 lockups, he said, but soon determined that only Sacramento – not individual wardens – could fix the
underlying problems with mental health treatment in the corrections system. He noted that, "[a]t this time,
any attempt at a more abrupt conclusion to court oversight would be … not only premature but a needless
distraction from the important work that is being done in the quality improvement project." Lopes credited
the state with making "significant progress" in meeting seven goals set last year by U.S. District Judge
Lawrence Karlton, and said officials seem to have made a "serious commitment" to making the necessary
improvements. However, "more work remains to be done before all of these goals are met," he wrote.
Brown's court filing triggered a 90-day clock for the judge to rule if prison conditions now meet constitutional standards. The Department of Corrections and Rehabilitation will file a formal response after reviewing the report.

For more information, go to: http://www.cdcr.ca.gov/.

**IMMIGRATION: GOVERNMENT ACCOUNTABILITY OFFICE RELEASES REPORT ON CBP RESOURCE MANAGEMENT**

The Government Accountability Office (GAO) released a report titled *Border Patrol: Key Elements of New Strategic Plan Not Yet in Place to Inform Border Security Status and Resource Needs*, on December 10, 2012 examining the U.S. Customs and Border Protection (CBP) Border Patrol's resource management at the southwest border. CBP reported that it apprehended over 327,000 illegal entrants at the southwest border in fiscal year 2011. Across Border Patrol's nine southwest border sectors, most apprehensions occurred in the Tucson sector in Arizona. In this context, the report examined the following: (1) apprehension and other data Border Patrol collects to inform changes in border security for the southwest border and the Tucson sector, in particular; (2) how the Tucson sector compares with other sectors in scheduling agent deployment and to what extent data show that deployments have been effective; and (3) the extent to which Border Patrol has identified mechanisms to assess resource needs under its new strategic plan.

Findings included:
- In fiscal year 2011, the Department of Homeland Security (DHS) reported data meeting its goal to secure the land border with a decrease in apprehensions. The GAO found that apprehensions decreased within each southwest border sector and by 68 percent in the Tucson sector from fiscal years 2006 to 2011, due in part to changes in the U.S. economy and achievement of Border Patrol strategic objectives. These data generally mirrored the decrease in estimated known illegal entries across locations.
- In the Tucson sector, there was little change in the percentage of estimated known illegal entrants apprehended by Border Patrol over the past 5 fiscal years, and the percentage of individuals apprehended who repeatedly crossed the border illegally declined across the southwest border by 6 percent from fiscal years 2008 to 2011.
- The number of drug seizures increased from 10,321 in fiscal year 2006 to 18,898 in fiscal year 2011, and apprehensions of aliens from countries determined to be at an increased risk of sponsoring terrorism increased from 239 in fiscal year 2006 to 309 in fiscal year 2010, but decreased to 253 in fiscal year 2011.
- The Tucson sector scheduled more agent workdays in fiscal year 2011 for enforcement activities related to patrolling the border than other sectors. In fiscal year 2011 the Tucson sector scheduled 73 percent of agent workdays for enforcement activities, and of these activities, 71 percent were scheduled for patrolling within 25 miles of the border. Other sectors scheduled from 44 to 70 percent of agent enforcement workdays for patrolling the border.
- Border Patrol sectors assess how effectively they use resources to secure the border, but differences in how sectors collect and report the data preclude comparing results.
- Border Patrol is developing key elements of its 2012-2016 Strategic Plan needed to define border security and the resources necessary to achieve it, but has not identified milestones and time frames for developing and implementing performance goals and measures in accordance with standard practices in program management.
- Border Patrol officials stated that performance goals and measures are in development for assessing the progress of agency efforts to secure the border between the ports of entry, and since fiscal year 2011, DHS has used the number of apprehensions on the southwest border as an interim goal and measure. However, as GAO previously testified, this interim measure does not inform program results and therefore limits DHS and congressional oversight and accountability.
- Border Patrol expects to implement other key elements of its strategic plan over the next 2 fiscal years.

- The GAO recommended that CBP ensure Border Patrol develops milestones and time frames for developing border security goals and measures to assess progress made and resource needs. The Department of Homeland Security concurred with these recommendations.