To expand communications between Washington and California, the California Institute provides periodic news bulletins regarding current activity on Capitol Hill and other information that directly impacts the state. Bulletins are published weekly during sessions of Congress, and occasionally during other periods.

**APPROPRIATIONS: SENATE APPROPRIATIONS REPORTS FY14 HOMELAND SECURITY FUNDING**

The Senate Appropriations Committee on Thursday, July 18, 2013 advanced by a vote of 21-9 a fiscal 2014 Homeland Security spending bill that would provide $46.4 billion, a reduction of $493 million below the fiscal year 2013 enacted level, after factoring out emergency supplemental appropriations. Of this total, $45 billion is for discretionary programs, including $227 million for Coast Guard overseas contingency operations and $5.626 billion for the FEMA disaster relief cap adjustment pursuant to Public Law 112-25. After excluding these two adjustments, the net discretionary appropriation for the Department of Homeland Security (DHS) is $39.1 billion, $72.3 million above the President's request. Notably, the bill provides slightly more funding for the Coast Guard than the Obama administration requested, with senators arguing that the president's proposed level would cost more in the long run.

Bill Highlights include:
- State and Local preparedness grant programs: $1.502 billion, $38 million above the comparable fiscal year 2013 level.
- Customs and Border Protection: $12.424 billion, $547 million above fiscal year 2013.
- Immigration and Customs Enforcement (ICE): $5.399 billion, $339 million below fiscal year 2013.
- Office of Biometric Identity Management: $260 million, essentially the same level as fiscal year 2013.
- National Bio and Agro Defense Facility: $404 million, $366.5 million above fiscal year 2013 but $310 million below the request.
- National Protection and Programs Directorate's Infrastructure Protection and Information Security Program: $1.209, including $803.8 million for cybersecurity protection of Federal networks and incident response, $48 million above fiscal year 2013.
- Cybersecurity Research and Development: $74.5 million within the Science and Technology Directorate.
- Disaster Relief Fund: $6.22, of which $5.626 billion is provided pursuant the Budget Control Act disaster relief adjustment, as requested. This level is $12.274 billion below fiscal year 2013, when including supplemental funding associated with Hurricane Sandy.
- Coast Guard: $10.072 billion, of which $8.612 billion is discretionary spending and $1.460 billion is mandatory spending. The discretionary level is $639 million below fiscal year 2013.
- Transportation Security Administration (TSA): $7.34 billion, including $25 million for the federal flight deck officer program, which trains airline pilots to carry guns. This is $210 million below fiscal year 2013. This amount is reduced by offsetting collections and fees totaling $2.12 billion, rejecting the Administration's proposal to modify the aviation security passenger fee.
- Infrastructure Protection: $273.2 million within the National Protection and Programs Directorate, $13.2 million above fiscal year 2013.
- Office of Health Affairs: $128 million, which is $5 million below fiscal year 2013. Included in the total is $87.6 million for the BioWatch program, an increase of $2 million from fiscal year 2013 to sustain current operations of the biological sensors deployed throughout the United States.


APPROPRIATIONS: SENATE APPROPRIATIONS APPROVES FY14 FUNDING FOR COMMERCE, JUSTICE, SCIENCE

The Senate Committee on Appropriations on Thursday, July 18, 2013 advanced by a vote of 21-9 a fiscal a FY 2014 Commerce-Justice-Science spending bill that would provide $52.3 billion in discretionary spending, an 11 percent increase from the current spending level under sequestration and $263 million more than President Obama's request. The CJS spending bill provides total resources of $28.5 billion for the Department of Justice for crime and terrorism programs, split between State, local, and tribal law enforcement grants and Federal law enforcement responsibilities. The amount of spending would be $4.9 billion more than the House's competing version and would provide overall increases to the Commerce and Justice departments, NASA and the National Oceanic and Atmospheric Administration (NOAA).

Bill Highlights include:
- State, Local, and Tribal Law Enforcement: $2.4 billion, including $385 million for Byrne Justice Assistance Grants, $394 million for COPS grants (putting roughly 1,400 cops on the beat), $417 million for Violence Against Women Act programs, $279 million for juvenile justice and mentoring grants, and $129 million for research and evaluation initiatives on the best prevention and intervention strategies. The House Appropriations bill provides $1.8 billion for State and local law enforcement grants.
- Gun Violence: $1.4 billion, including $50 million for all states to improve the quality of criminal and mental health records; $150 million through the COPS Office to allow communities to hire school safety personnel, conduct school safety assessments, and fill gaps in school safety plans; $15 million to train local

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police on how to respond to active shooter situations; and $2 million to encourage developments in innovative gun safety technology.

- Weather: $1.95 billion for next generation weather satellites and $5.6 billion for the National Oceanic and Atmospheric Administration.
- Cybersecurity: $668 million, the full cybersecurity request for the Department of Justice, including $15 million for the National Cybersecurity Center of Excellence and $157 million for cybersecurity R&D.
- National Science Foundation (NSF): $7.4 billion, an increase of $186 million over fiscal year 2013.
- National Aeronautics and Space Administration (NASA): $18 billion. The House Appropriations bill provides $16.6 billion,
- The National Institute of Standards and Technology (NIST) is funded at $948 million, which is $141 million above the fiscal year 2013 enacted level. The appropriations includes funding for several initiatives to promote manufacturing and global competitiveness, including the Manufacturing Extension Partnership (MEP) and the Advanced Manufacturing Technology Consortia (AMTech).
- Patents: $3 billion, fully funding all expected fees for the US Patent and Trademark Office (PTO).

**Appropriations: House Appropriations Reports FY14 Commerce, Justice, Science Funding**

The House Committee on Appropriations advanced a $47.4 billion FY14 spending bill on Wednesday, July 17, 2013 to fund the Department of Commerce, the Department of Justice, the National Aeronautics and Space Administration (NASA), the National Science Foundation (NSF), and other related agencies. The bill remains largely unchanged from the version adopted by the Subcommittee on Commerce, Justice, Science, and Related Agencies on July 10, 2013.

The bill provides $1.8 billion for discretionary State and local law enforcement assistance, including $465 million for Byrne Memorial Justice Assistance Grants, $413 million for violence against women prevention and prosecution programs, and $165 million for the State Criminal Alien Assistance Program (SCAAP). The discretionary total of $1,804,300,000 is $356,582,000 below fiscal year 2013 and $535,900,000 below the President’s request.

The bill also provides $3.6 billion for Exploration, including funding to keep NASA on schedule for upcoming Multi-Purpose Crew Vehicle and Space Launch System flight milestones, and to continue progress on a commercial crew program.

You may access the summary for the draft bill approved by the CJS Subcommittee here: http://www.calinst.org/bul2/b2020.pdf

During the full Committee markup, the following amendments were adopted:
- Rep. Barbara Lee (Oakland) - The amendment adds report language expressing a "sense of Congress" that legislation should not be passed that "increases poverty in the U.S." The amendment was adopted on a voice vote.
- Rep. Jack Kingston (GA) - The amendment bars the use of funding to invalidate or interfere with state immigration laws. Kingston said the amendment would prevent the Justice Department from suing states to block them from enforcing their own immigration laws. Some opposed the amendment, saying immigration was an issue under the federal government's jurisdiction. The amendment was adopted on a voice vote.
Rep. Alan Nunnelee (MS) - The amendment bars cities and states from using money from SCAAP to prohibit their agencies from maintaining information about individuals' immigration status or exchanging it with federal or other state and local governments. The panel adopted Nunnelee's amendment by voice vote.

Rep. Jack Kingston (GA) - The amendment bars the Equal Employment Opportunity Commission from using money to implement a 2012 regulation dealing with employer defenses against certain claims of age discrimination. The amendment was adopted on a voice vote.

Rep. John Carter (TX) - The amendment bars use of funding to require gun dealers to report to the Justice Department on sales of multiple rifles or shotguns to the same person. The amendment targets a Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) policy that requires firearms dealers in Arizona, California, New Mexico, and Texas to report the sale of two or more semi-automatic rifles to the same person within five days. The amendment was adopted on a voice vote.

Rep. Frank Wolf (VA) - The manager's amendment makes technical and non-controversial changes to the bill and report. The amendment was adopted on a voice vote.

For more information, go to:

**RESOURCES: Senate Water & Power Subcommittee Examines Colorado River Basin Study**

The Senate Committee on Energy and Natural Resources' Subcommittee on Water and Power met on Tuesday, July 9, 2013 to receive testimony on the Bureau of Reclamation's Colorado River Basin Water Supply and Demand Study (Study).

Witnesses included: The Honorable Mike Connor, Commissioner, Bureau of Reclamation, U.S. Department of the Interior; Ms. Tanya Trujillo, Executive Director, Colorado River Board of California, Pasadena, CA; Mr. Don Ostler, Executive Director, Upper Colorado River Commission, Salt Lake City, UT; Mr. T. Darryl Vigil, Chairman, Ten Tribes Partnership, Dulce, NM; Ms. Taylor Hawes, Colorado River Program Director, The Nature Conservancy, Boulder, CO; Ms. Kathleen Ferris, Executive Director, Arizona Municipal Water Users Association, Phoenix, AZ; and Dr. Reagan M. Waskom, Director, Colorado Water Institute, Fort Collins, CO.

Commissioner Connor discussed the circumstances under which the Study was commissioned. The Colorado River is facing a record drought. Indeed, the period from 2000 to 2013 may be the lowest 14-year period in the over 100-year historical record for the Colorado River. The challenges and complexities of ensuring a sustainable water supply and meeting future demand in the over-allocated and highly variable Colorado River has been recognized and documented by Reclamation and the Basin States of Arizona, California, Colorado, New Mexico, Nevada, Utah, and Wyoming for decades. The Study was undertaken to define current and future imbalances in water supply and demand in the Basin and the adjacent areas of the Basin States that receive Colorado River water over the next 50 years (through 2060). The Study also included a wide array of adaptation and mitigation strategies proposed by stakeholders and the public to resolve those imbalances.

Commissioner Connor also discussed the results of the Study, which confirmed that the Basin faces a range of potential future imbalances between supply and demand. Each of those imbalances results in decline in the performance of water deliveries, hydropower, water quality, ecological, and recreational resources. When the median of water supply projections is compared against the median of the water...
demand projections, the basinwide imbalance in future supply and demand is about 3.2 million acre-feet annually by 2060. The average reduction in hydropower output under this projection is approximately 12%. However, the imbalance can be much greater, or less, under any one of the multiple future supply and demand scenarios that could occur.

Finally, Commissioner Connor briefly described potential adaption strategies, including short-term solutions such as agricultural, municipal, and industrial conservation and water transfers, and water reuse options. However, he said that longer-term strategies are less clear, but may involve large-scale augmentation, such as ocean desalination.

Ms. Trujillo of the Colorado River Board of California praised the completion of the Basin Study in December 2012 and the workgroups that have been formed to evaluate existing programs, including the Municipal and Industrial Conservation and Reuse workgroup and the Agricultural Conservation and Transfers workgroup. She also praised water providers in the Lower Division States for being very proactive in meeting existing water supply needs through wise management of the Colorado River's resources, developing additional sources of water, and recognizing that developing a balanced portfolio of water supply is a sound water management practice. Finally, she encouraged Congress to continue investing in existing water supply infrastructure to ensure that the operation of existing facilities can be as efficient and secure as possible and that funding for water efficiency and conservation programs are matched or enhance the ongoing efforts at the state and local levels.

For more information, go to:

**Health: House Passes Two Bills Delaying Mandates Under Affordable Care Act**

On July 17, 2013, the House passed two bills delaying the employer and individual mandates contained the Affordable Care Act enacted in 2010. The first bill, (HR 2667) would codify the one year delay that the Administration announced earlier this month of the employer mandate. The bill passed by a vote of 264-161. The second bill (HR 2668) would provide for a one year delay as well in the ACA’s requirement that individuals purchase health insurance. The vote was 251-174.

Under the ACA, employers with a workforce of over 50 are required to provide insurance to their employees or face penalties for noncompliance. The mandate was set to begin in 2014, but the Administration announced that it would not be enforced until 2015. The mandate requiring uninsured individuals to purchase insurance beginning in 2014 was left in place by the Administration. In deciding to delay its implementation, the Administration acknowledged that the employer mandate was going to be more complicated to implement. It estimates that only about 4 percent of U.S. employers are affected by the employer mandate, however. On the other hand, it believes the process for implementing the individual mandate is less complicated and the administrative structure is in place to implement it.

Supporters of the bills argued that if employers were being given a delay, it was only fair to grant the same delay to individuals. Opponents argued that the bill codifying the employer mandate delay was redundant, and delaying the individual mandate was only another attack on the overall Act.

The Senate is not expected to consider either of the bills, and the President has announced that he would veto both bills.

For more information, go to:
http://waysandmeans.house.gov/subcommittees/subcommittee/?IssueID=4615 and
EDUCATION: HOUSE PASSES NCLB EDUCATION REPLACEMENT BILL

On July 19, 2013, the House passed H.R. 5, the Student Success Act by a vote of 221-207. The SSA is intended to overhaul the controversial 2001 education law known as No Child Left Behind (PL 107-110), which expired in 2007. The SSA would reduce the federal government's role in the public education system. Specifically, SSA would accomplish the following:

- The proposal would eliminate the current accountability system, called adequate yearly progress, which requires all students to be 100 percent proficient in reading and math for their grade level by 2014. It would instead allow states to develop their own academic standards in reading, math and science and leave to their discretion whether to set standards for other subjects.

- The bill also would allow states to identify their poorest-performing schools and let local districts develop their own strategies for improving those schools.

- Under the bill, several K-12 education programs would be consolidated into a new Local Academic Flexible Grant, which would allow states and school districts to support their own priorities. Also, it allows states to use Title II funds, currently provided for teacher development, to assist teachers in meeting the needs of students with different learning styles, particularly English learners, gifted students and students with disabilities.

- The legislation would require states and school districts to create teacher and principal evaluation systems based on several parameters, including student achievement and multiple measures of teacher performance.

During floor consideration, the House adopted an amendment by voice vote offered by Majority Leader Eric Canter (VA) that would allow federal monies to follow a student if s/he changes public schools, including charter schools.

The Senate is not expected to take up H.R. 5, developing its own NCLB replacement. The President has also announced that he would veto the House bill because it sharply reduces federal authority to set education standards, and allows the states too much power in determining how to spend federal education funding.


SOCIAL SERVICES: HOUSE WAYS AND MEANS SUBCOMMITTEE EVALUATES POVERTY PROGRAMS

The House Committee on Ways and Means' Subcommittee on Human Resources met on Wednesday, July 17, 2013 to examine the effectiveness of current programs designed to assist low-income families and individuals, how Congress can ensure more social programs are rigorously evaluated to determine their impact, and how high-quality evidence can best be used to inform the design of social programs at the federal level. Witnesses included experts on the evaluation of social programs, as well as experts who use high-quality evaluations to inform public policy decisions.

Witnesses included: Jon Baron, President, Coalition for Evidence-Based Policy; Kristen Cox, Executive Director, Utah Governor's Office of Management and Budget; Steve Aos, Director, Washington State Institute for Public Policy; David B. Muhlhausen, Ph.D., Research Fellow, Empirical Policy Analysis, The Heritage Foundation; and Tara Smith, Research Associate, Ray Marshall Center, Lyndon B. Johnson School of Public Affairs, The University of Texas.

Mr. Baron discussed how evidence-based program reforms can greatly increase the effectiveness of government social spending in improving people's lives and offered recommended next steps that the Subcommittee might consider to advance such reforms in the programs within its jurisdiction. Some of Mr. Baron's discussion points included the following: (1) rigorous randomized studies have the ability to identify program reforms ("interventions") that increase the effectiveness of social spending while actually reducing
its cost; (2) identify enough of these reforms to generate broad-based gains in government effectiveness requires strategic trial-and-error, i.e., rigorously testing many promising interventions to identify the few that are effective; and (3) the current pace of rigorous testing is far too slow to build a meaningful number of proven-effective interventions to address our major social problems.

His policy recommendations included: (1) authorizing and encouraging the agencies to make maximum use of waivers from federal law and regulation to build credible evidence; (2) authorizing and encouraging agencies to allow greater researcher access to administrative data, with appropriate privacy protections, so as to facilitate low-cost rigorous evaluations; and (3) authorizing agency programs to use waivers and other administrative actions to facilitate its widespread adoption with program funds.

Dr. Muhlhausen suggested that Congress should do the following to ensure that social programs are effectively evaluated: (1) when authorizing a new social program or reauthorizing an existing program, Congress should specifically mandate multisite experimental evaluation of the program; and (2) when Congress creates social programs, the funded activities are intended to be spread out across the nation; thus, Congress should require nationally representative, multisite experimental evaluations of these programs.

Ms. Smith made the following concluding points: (1) sector-based strategies and related career pathway programs, which are targeted at local labor market needs and which support low-income adults in overcoming barriers to program completion and labor market transitions, have demonstrated effectiveness in a number of communities and industries. Tying those strategies, which are targeted at adults, with services and high quality educational opportunities for children is the logical next step; and (2) Federal programs, whether contract- or grant-funded, should encourage or require investments in program models and strategies that have consistently been found to be effective. Strategies that focus on basic skills, provide counseling and other support services, increase opportunities to "earn and learn" so that parents can support their families while in training, and target skill development at high-wage, high-demand occupations in the local labor market all appear to have significant, rigorous evaluation support and could be promoted in Federal programs.

For more information, go to:

EDUCATION/TECHNOLOGY: SENATE COMMERCE EXAMINES EXPANDING TECHNOLOGY ACCESS FOR CHILDREN

The Senate Committee on Commerce, Science, and Transportation held a hearing on Wednesday, July 17, 2013 entitled "E-Rate 2.0: Connecting Every Child to the Transformative Power of Technology." The hearing examined expanded inclusion of broadband technology in the E-Rate universal service fund programs for schools and libraries.

Witnesses included: Dr. Sheryl R. Abshire, Chief Technology Officer, Calcasieu Parish School System, Louisiana; Ms. Linda H. Lord, State Librarian, Maine State Library; Mr. Patrick Finn, Senior Vice President, U.S. Public Sector, Cisco Systems, Inc.; and Mr. James G. Coulter, Co-founder, TPG Capital.

Mr. Finn discussed the importance of ensuring that children stay globally competitive in the workforce through programs like E-rate, which provides a near-limitless amount of information by way of advanced technology at school libraries. While the program has been tied to increased test scores and better information-sharing projects around the country, Mr. Finn expressed the need to change the program to keep up with the times. For example, school networks need to be able to handle increased traffic from digital books, video, and video collaboration technologies, particularly for rural areas.

Mr. Finn made the following recommendations to modernize the E-rate program: (1) funding levels should be increased due to the fact that program funding levels have barely changed since 1998 while the bandwidth and networking needs of the schools have dramatically increased; (2) minimum bandwidth requirements should be adopted, varying based on the size of a school, to ensure that all schools have both in-building and districtwide networks that are operationally capable of supporting modern education
technology and devices; and (3) current E-rate rules, which fund Internet connectivity first as "Priority 1" services and then send the leftovers to fund "Priority 2" networking inside the schools, no longer make sense and should be adapted to modern needs. Indeed, Internet access is an important element of a network, but districts have to be able to access content on their own servers for distribution within the district. And that content is meaningless to teachers and students if it cannot be delivered via effective in-building and district-wide systems.

For more information, go to:
http://www.commerce.senate.gov/public/index.cfm?p=Hearings&ContentRecord_id=4395b05-e4b9-4477-93df-e54faa2b81c5&ContentType_id=14f995b9-dfa5-407a-9d35-56cc7152a7ed&Group_id=b06c39af-e033-4cba-9221-de668ca1978a

**ENERGY: SENATE ENERGY COMMITTEE EXAMINES CLEAN ENERGY FINANCING**

The Senate Committee on Energy and Natural Resources met on Thursday, July 18, 2013 to examine the current state of clean energy finance in the United States and opportunities to facilitate greater investment in domestic clean energy technology development and deployment.

Witnesses included: Mr. Peter W. Davidson, Executive Director of the Loan Program Office (LPO), U.S. Department of Energy; Mr. Richard Kauffman, Chairman, Energy and Finance for New York, Chairman, New York State Energy Research and Development Authority; Mr. Ethan Zindler, Head of Policy Analysis, Bloomberg New Energy Finance; Mr. Will Coleman, Partner, OnRamp Capital; and Mr. Nicolas Loris, Herbert and Joyce Morgan Fellow, The Heritage Foundation.

Mr. Davidson discussed the Loan Programs Office, which administers two federal loan guarantee programs – Section 1703 and 1705 – for energy technology projects authorized by Title XVII of the Energy Policy Act (EPAct), as amended. It also administers direct loans for the Advanced Technology Vehicles Manufacturing (ATVM) program as authorized under Section 136 of the Energy Independence and Security Act of 2007 (EISA). He also gave an overview of some of the LPO clean energy projects in the U.S., including: (1) one of the world's largest wind farms; (2) the world's largest photovoltaic and concentrating solar power plants currently under construction; (3) the first two all-electric vehicle manufacturing facilities in the United States; (4) a conditional commitment to the first commercial nuclear power plant to be licensed and built in the United States in three decades; and (5) one of the country's first commercial-scale cellulosic ethanol plants. Finally, he argued that one of the most important tools is debt financing on reasonable terms, wisely targeted and responsibly deployed.

Mr. Coleman discussed several solutions for accelerating the adoption of clean energy technology: (1) supporting the innovation pipeline by continuing to support basic R&D at universities and labs, and fund the Advanced Research Projects Agency for Energy (ARPA-E); and (2) filling financing gaps by drawing in private capital through venture capital, debt financing, and corporate capital. Lastly, he argued, on behalf of the venture industry, for reform of the current energy tax code with a focus on leveling the playing field for new alternative technologies.

Mr. Loris testified regarding expanding market opportunities for renewable energy by doing the following: (1) allowing all energy companies to form Master Limited Partnerships; (2) making immediate expensing permanently available for all business investments; and (3) allowing states to conduct the environmental review and permitting process for all energy projects. Finally, he argued that Congress should refuse to expand loan guarantee programs or to implement any new capital subsidy programs.

For more information, go to:
http://www.energy.senate.gov/public/index.cfm/2013/7/full-committee-hearing