**BUDGET/APPROPRIATIONS: HOUSE AND SENATE REMAIN AT ODDS ON GOVERNMENT FUNDING BILL**

As of Thursday evening, the House and Senate remained at loggerheads on the contents of the Continuing Resolution needed to keep the government funded past September 30, 2013. The House passed H.J.Res. 59 by a mostly party line vote of 230-189 on September 20, 2013. As passed, the bill would fund the government through December 15 at $986 billion, the limit set by the sequester for FY13. It also defunds the Affordable Healthcare Act (ACA) – also known as Obamacare – and prioritizes the way in which the Treasury Department can pay the government’s debt. Treasury would be required to repay public debt and obligations from the Social Security Trust Fund, but would be prohibited from borrowing above the $16.7 trillion debt limit to pay for such things as continuing government operations.

The House bill faces strong opposition from Senate Democrats and the White House. Senate Majority Leader Harry Reid insists that the Senate will not include a defund Obamacare provision in the Senate version, and has set up procedural votes so that the provision, as well as others, can be stripped with a 51 vote majority, eliminating the need for any Republicans to support it. The Senate is also expected to shorten the extension under the CR to November 15. The Senate is expected to move to final passage on the resolution on either Friday or Saturday, sending the bill back to the House for further action.

As of Thursday afternoon, the House leadership indicated it might back off calling for a complete defunding of the ACA in the CR, but still push for a one year delay in implementing it, as well as eliminating or changing some discrete provisions in the bill. One provision that may be eliminated is the medical device tax, which imposes a 2.3 percent excise tax on all medical devices. There is bipartisan support for repealing the tax because of its potential adverse effects.

The Senate, however, is not likely to accept the House’s offer, and whether there will be enough time to come up with a compromise before the October 1 deadline remains very uncertain.
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RESOURCES: HOUSE PASSES HEALTHY FORESTS BILL
On September 20, 2013, the House passed H.R. 1526, the Restoring Healthy Forests For Healthy Communities Act. The vote was 244-173. The bill requires the U.S. Forest Service to increase timber production on National Forest lands, with the exception of lands within the National Wilderness Preservation System. Under the bill, the Agriculture Department would establish sustainable timber-harvesting zones in at least half of National Forest System lands capable of producing 20 cubic feet of timber an acre or more annually.

The bill also extends the Secure Rural Schools and Community Self-Determination Act, and counties that contain national forest land would receive 25 percent of the revenue realized through increased timber sales. To encourage timber harvesting, however, the bill would limit certain environmental reviews.

During floor consideration, Rep. Tom McClintock (Thousand Oaks) successfully amended the bill to waive judicial review for forest debris removal projects initiated because of a 2013 wildfire. The amendment was adopted 243-172.

The Senate is not expected to consider the bill, and the White House has indicated the President would veto the bill, if it is sent to him.

For more information, go to:
http://naturalresources.house.gov/legislation/hr1526/ and
http://rules.house.gov/bill/113/hr-1526

TRANSPORTATION: SENATE COMMITTEE LOOKS AT INVESTING IN TRANSPORTATION INFRASTRUCTURE
On September 25, the Senate Environment and Public Works Committee held a hearing on “The Need to Invest in America’s Infrastructure and Preserve Federal Transportation Funding.” Sen. Barbara Boxer, Chair of the Committee, opened with a statement about the need to find a sustainable funding source to improve the unacceptable conditions of the nation’s roads and bridges. She cited the fact that 70,000 bridges are structurally deficient, and that more than 200 million motor vehicles cross those bridges every day.

Two witness panels were convened to discuss the importance of investing in surface transportation infrastructure projects as well as discuss possible solutions for the “fiscal cliff” facing the Highway Trust Fund – long used to fund such projects – in 2014. Witnesses included: Dr. T. Peter Ruane, President and CEO, American Road and Transportation Builders Association; The Honorable Michael P. Lewis, President, American Association of State Highway and Transportation Officials; Ms. Kathy Ruffalo, President, Ruffalo and Associates; and Mr. Jack Schenendorf, Of Counsel, Covington and Burling, LLP.

Mr. Schenendorf applauded the Committee for taking the first step toward modernizing the nation’s surface transportation policies with MAP-21, but noted that another step must be taken to ensure adequate investment in the infrastructure projects of the future. He testified that “according to estimates of the Policy and Revenue Study Commission, we need to invest at least $225 billion annually from all sources (federal, state, local and private sector) for the next 50 years to upgrade our existing system to a state of good repair....We are spending less than 40 percent of this amount today.”
During the past decade, California has relied on the federal highway program for just over 48% of its highway and bridge capital improvements. This year, California received more than $2.9 billion of new obligation authority for highways under MAP-21. Dr. Ruane pointed out that California, like other states, would be unlikely to make up the hundreds of millions dollars it would lose if Congress reduces federal highway investment to the level of Highway Trust Fund revenues.

Mr. Lewis further outlined impacts to California should federal funding for highway projects become insolvent:

"California receives approximately $3.6 billion in federal reimbursements annually for transportation projects across the state. California’s statewide transportation system would experience accelerated deterioration should major rehabilitation projects be cancelled or deferred. California’s ability to manage one of its greatest assets, the State Highway System, would be severely impacted by the loss of federal resources. Even if reimbursements for existing projects were to continue, California’s ability to move forward with billions of dollars of planned projects would be greatly impacted.

In total, the lack of new obligations would imperil current year planned construction of $2 billion for 250 state-sponsored rehabilitation projects, about $700 million in capacity improvement projects, and billions more on local streets and roads. Some of the current state projects that could be delayed or halted due to funding shortages include: Interstate 80 pavement rehabilitation project in Sacramento County (northern California) costing $95 million; Cajon Pass design-build roadway rehabilitation project in San Bernardino County (southern California) totaling $107 million; Major pavement and roadway rehabilitation projects in Los Angeles County on routes 710, 210, 101, and several locations along Interstate 5 totaling $300 million; California has also utilized Advanced Construction on many large projects that may have to be halted if federal obligations stop.

In addition, the California Department of Transportation oversees monthly capital expenditures of nearly $500 million. Loss of reimbursement from the HTF for projects already underway would quickly deplete available cash. If reimbursements from the HTF were to completely halt, the State's primary highway account (the State Highway Account) would become insolvent in as little as two months. Even projects and maintenance activities that do not rely on federal funding would be impacted as state funds are expended without reimbursement from the HTF. In surprisingly short order, the operations of the Nation's largest transportation agency would grind to a halt.

Possible solutions for funding the HTF generally fall into the following three categories, according to Ms. Ruffalo: raising the rate of taxation or fee rates of existing federal revenue streams, identifying and creating new federal revenue sources, and diverting current revenues (and possibly increasing the rates) from other federal sources. Several witnesses went into greater detail about solutions that fall into these categories. For their complete testimony, please visit: http://www.epw.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=367b4cd8-00c7-82d7-d865-91a53d742f4e

EDUCATION: HOUSE SUBCOMMITTEE EXPLORES FEDERAL SUPPORT OF CAREER AND TECHNICAL EDUCATION PROGRAMS
In consideration of the upcoming reauthorization of the Carl D. Perkins and Technical Education Act, members of the House Education and the Workforce Subcommittee on Early Childhood, Elementary, and Secondary Education convened a hearing on Friday, September 20, 2013 entitled, "Preparing Today's Students for Tomorrow's Jobs: A Discussion on Career and Technical Education and Training Programs." The Perkins Act provides federal funding to states to support career and technical education (or CTE) programs that offer high school and community college students the opportunity to gain the skills and experience necessary to compete for jobs in a broad range of fields, including health care, transportation, construction, and hospitality. Witnesses testified to the successes of CTE programs as well as possible improvements for the law. They included: Mr. Alvin Bargas, President, Pelican Chapter, Associated Builders & Contractors, Inc., Baton Rouge, LA; Dr. Sheila Harrity, Principal, Worcester Technical High School, Worcester, MA; Mr. John Fischer, Deputy Commissioner, Transformation & Innovation, Vermont Agency of Education, Montpelier, VT; and Mr. Frank Britt, Chief Executive Officer, Penn Foster Inc., Scranton, PA.

Mr. Bargas remarked, "Public high schools almost exclusively focus on the four-year college prep curriculum for all students. While this pathway is important, students should be offered opportunities to learn skills that prepare them for the many high paying, in-demand careers that do not require a bachelor's degree. However, the expansion of... CTE options should never come at the expense of academic rigor or quality instruction and must clearly align with industry workforce needs and postsecondary credentials."

Dr. Harrity described the successes of Massachusetts' Worcester Technical High School, including her assertion that students graduate with all academic requirements and industry-recognized national certifications. This is due in part to WTHS' strong relationships with more than 350 industry advisors in the local business community who help shape the programs and provide advice on equipment, certifications, licensure, and careers.

To read witness testimony, opening statements, or watch an archived webcast of today's hearing, visit [www.edworkforce.house.gov/hearings](http://www.edworkforce.house.gov/hearings).

**HOMELAND SECURITY: HOUSE HOMELAND SECURITY EXAMINES BIOMETRIC EXIT SYSTEM**

The House Committee on Homeland Security’s Subcommittee on Border and Maritime Security held a hearing entitled “Fulfilling a Key 9/11 Commission Recommendation: Implementing Biometric Exit,” on September 25, 2013. The purpose of the recommendation is to enhance the accuracy and timeliness of data on foreigners who overstay their period of admission to the United States, especially on individuals who may pose a threat to public safety or national security.

During the hearing, witnesses discussed the status of the Department of Homeland Security’s efforts to implement a biometric exit system in accordance with a statutory requirement from the Intelligence Reform and Terrorism Prevention Act of 2004. Since 1996, federal law has required the implementation of an entry and exit data system to track foreign nationals entering and leaving the United States; these systems have historically relied largely on biographic information. A biographic system matches the information on an individual’s passport or other travel document, while a biometric system matches data of a biometric or physical component from a person that is unique to an individual (i.e., fingerprints or a facial image).


Mr. Wagner and Mr. Woods highlighted the progress of the DHS in operationalizing various aspects of a well-functioning entry/exit system at our nation’s borders. Though the Department has the ability to track individuals entering and exiting the country with the current system, Mr. Wagner explained the constraints DHS has faced in implementing a biometric system. The infrastructure does not exist today to support a biometric system at air, sea, or land ports of entry. DHS has found that developing the necessary technology and infrastructure for a biometric exit system in the air environment alone would require $3 billion in investments as well as significant disruptions to passengers and airlines. Despite these challenges, Mr. Wagner claimed that “we continue to move forward in building a biometric air exit system that can be integrated in the current architecture once it is cost-effective and feasible to do so.”

Ms. Gambler presented findings from the GAO’s July 2013 report entitled “Additional Actions Needed to Assess DHS’s Data and Improve Planning for a Biometric Air Exit Program,” in which the GAO found that DHS has not fulfilled the 2004 statutory requirement to implement a biometric exit system, and outlined a number of recommendations to improve planning and management to ensure that DHS can provide an assessment of implementation options to Congress for the 2016 fiscal year budget cycle as planned. She noted that “DHS concurred with this recommendation and indicated that its component agencies plan to finalize the goals and objectives for biometric air exit by January 31, 2014, and that these goals and objectives will be used in the development of an evaluation framework that DHS expects to have completed by June 30, 2014.”

The Senate immigration reform bill, S. 744, Border Security, Economic Opportunity, and Immigration Modernization Act, which passed the Senate on June 27, 2013, authorizes a significant increase in funding to implement a biometric system.

For more information, please visit http://homeland.house.gov/hearing/subcommittee-hearing-fulfilling-key-911-commission-recommendation-implementing-biometric

REPORT: PEW REPORT FINDS DECLINE IN UNDOCUMENTED IMMIGRANTS HAS STALLED AND MAY BE RISING

A report released by the Pew Research Center on September 23, 2013 finds that previous declines in the U.S. population of unauthorized immigrants because of the recession have stalled, and the population may be increasing again.

Population Decline of Unauthorized Immigrants Stalls, May Have Reversed found that the 2007-2009 recession was accompanied by a sharp decline in the U.S. population of unauthorized immigrants. The estimated number of unauthorized immigrants peaked at 12.2 million in 2007 and fell to 11.3 million in 2009, breaking a rising trend that held for decades. However, as of March 2012, 11.7 million unauthorized immigrants were living in the United States, according to a new preliminary Pew estimate based on U.S. government data. The Pew findings show that the decline in the U.S. population of unauthorized immigrants from 2007-2009 has stalled; inconclusive evidence suggests there may even be an increasing trend again.

California mirrors national trends in terms of seeing a decline of the unauthorized immigrant population from a peak in 2007 of 2.8 million followed by declines in 2008 and 2009. The decline stopped in 2010 and 2011 but did not change to an increase. Data for 2012 is still limited, but there are indications that the population may be increasing again.
California is one of the six states that have long been home to the majority of the nation's unauthorized immigrant population, but as foreign-born residents have moved into new destinations, the six are not as dominant as they once were. In 2012, 60% of the unauthorized immigrant population lived in those states, compared with 80% in 1990. Most of this reduction in share in the largest states is due to a sharply reduced proportion in California. The Golden State had 21% of unauthorized immigrants in 2012, compared with 42% in 1990. Despite this sharp decrease, California's 21% (approximately 2.45 million) still represents the largest share of the total unauthorized immigrant population in the U.S.; Texas, the state with the next largest share, is where 15% of the nation's unauthorized immigrants reside.

For the complete report, please visit http://www.pewhispanic.org/files/2013/09/Unauthorized-Sept-2013-FINAL.pdf

**REPORT: KAISER RELEASES SURVEY ON CALIFORNIA AND AFFORDABLE HEALTH CARE ACT**

On September 26, 2013, the Kaiser Family Foundation released the findings of a baseline survey of California’s uninsured adult population just before the start of the first open enrollment period under the Affordable Care Act (ACA). This report will be followed by three other surveys over the course of the next two years that will capture the changing experiences and attitudes of this same group of 2,000 people over time, whether they obtain coverage or remain uninsured.

The report analyzes the uninsured population in terms of four basic groups. The first three groups comprise “eligible uninsured,” including those whose incomes would either: possibly qualify them to be covered by California’s Medicaid program; give them access to subsidies to purchase insurance through the state’s new health insurance marketplace, Covered California; or those who will be able to shop on the exchange but will not be eligible for tax credits based on their relatively higher incomes. The fourth group includes undocumented immigrants who are uninsured and will therefore not be able to access health insurance via either option.

Eight in ten uninsured Californians feel the need for health insurance, including 72% of those ages 19 to 25, the survey found. Two thirds have been without health insurance for at least two years, citing cost as the main reason, followed by job loss. A 57% majority of the uninsured do believe that health insurance is worth the money it costs, while just over a third disagree.

Of the eligible uninsured, 40% believe the law will enhance their ability to get health care and health insurance, compared to about 20% who expect the law to make this more difficult. About a third don’t expect it to make any difference. However, 70% still say that as of late August, before the start of the most intensive phase of outreach, they don’t yet have enough information about the ACA to understand how it will impact them in concrete terms.

As of late August, the survey found that many doubt they are eligible, but large shares say if they qualified for Medi-Cal they would join. Three-quarters in the income group targeted to get subsidies in the marketplace are either not sure or presume they will not be eligible for such financial assistance. Only half of those in the Medi-Cal income group presume they will be qualified for the program. However, 89% in the Medi-Cal eligible income group say that if told they qualified for the state health insurance program, they would want to enroll.

A majority of California’s eligible uninsured population (57%) describe themselves as financially insecure, with 84% reporting their family finds it difficult to pay for health care. As a result, more than six in ten say that they’ve gone without needed health care because of the cost during the time they’ve been uninsured. There is widespread worry about what would happen if a family member was struck by a serious illness or involved in an accident. Three in four say they are “very worried” about not being able to pay the resulting medical bills.
The survey suggests that about a fifth of the state’s uninsured are undocumented immigrants, a group that is not eligible to buy coverage through Covered California or to join Medi-Cal. This group may have misplaced expectations of getting help that in actuality will not be forthcoming: about half say they think they may be eligible to get insurance through Medi-Cal as a result of the ACA. Forty-three percent expect they will be eligible to shop for health insurance on the exchange. This group stands out as particularly concerned about being able to find a doctor that would treat them if they needed one: 68 percent say they are “very worried”, nearly 30 percentage points higher than among other uninsured Californians.

To obtain the survey, go to:
http://kff.org/health-reform/report/californias-uninsured-on-the-eve-of-aca-open-enrollment/

**REPORT: PPIC RELEASES CALIFORNIA SURVEY; OPINION ON FEDERAL SHUTDOWN ASKED**

In recent statewide survey results from the Public Policy Institute of California (PPIC), Californians expressed views on a broad spectrum of issues, including the possible U.S. federal shutdown, immigration reform, prisons, education funding, fracking regulations, and marijuana legalization.

With a potential government shutdown on October 1 and the deadline to raise the debt limit soon after, Californians are divided over the way President Obama is handling this issue (46% approve, 46% disapprove). This is a decline from January, when 56 percent approved of the President’s handling of the deficit and debt ceiling. A solid majority (63%), on the other hand, disapprove of the way congressional Republicans are handling the issue, the same as in January (63% disapprove).

In terms of comprehensive immigration reform, 85 percent of Californians support a path to citizenship for illegal immigrants who fulfill certain requirements, including a waiting period, paying fines and back taxes, passing criminal background checks, and learning English. Majorities across parties, regions, and demographic groups favor this idea. Asked whether border security or addressing the status of illegal immigrants should be a higher priority, 51 percent choose addressing immigrants’ status and 41 percent favor securing the nation’s border.

There is also consensus among Californians on a key aspect of U.S. policy in response to the Syrian crisis: 70 percent of Californians say they are opposed to military air strikes, a view held across parties, regions, and age, education, income, and racial/ethnic groups. Asked about the Russian proposal to deal with Syria’s chemical weapons, half of Californians (52%) are at least somewhat optimistic that it will succeed.

Governor Brown’s plan to ask federal judges for a three year extension of their order to reduce prison overcrowding is supported by 52% of adults and likely voters, and is opposed by 40% of likely voters. Levels of support are similar across parties. Overwhelming majorities are concerned about the possible early release of thousands of prisoners that the plan is designed to prevent.

Under the corrections realignment implemented in October 2011, the state shifted lower-risk felons from state prisons to county jails to reduce prison overcrowding and cut costs. Californians’ confidence in their local governments’ ability to handle these new tasks has declined since realignment began. Today, less than half are confident (7% very, 33% somewhat) about their local government’s ability to do so. Confidence was higher in September 2011 (48%), December 2011 (53%), January 2012 (50%), and January 2013 (49%) than it is today (40%).

A new formula for K-12 education funding will give school districts more flexibility in spending state dollars. A majority of adults (60%) are very or somewhat confident that their districts will use the money wisely. Despite increases in state funding for education, 86% of adults say the state budget situation is at least somewhat of a problem for the state’s public schools. Adults express overwhelming support (72%) for the part of the state budget that gives each K–12 school district more money than in 2011–12 and directs additional funding to districts with more English Learners and lower-income students.

A bill to regulate fracking, SB4, passed and was signed by the governor. More Californians (53%) continue to oppose than favor (32%) increased use of fracking. Support for stricter state regulation of
fracking has increased slightly since July, and when asked specifically about two components of SB4—requiring oil companies to obtain permits and requiring them to disclose information on chemicals used in oil extraction techniques—most (80% adults, 87% likely voters) are in favor.

Californians are split on water policy. About half (53%) say the water supply for their part of the state will be somewhat or very inadequate in 10 years. As to how to plan for the future, about half (49%) say the state should focus on conservation, user allocation, and other strategies to manage water more efficiently, while 45 percent say the state needs to build new water storage systems. On how the state should increase funding for water and infrastructure projects, half (48%) prefer that the state issue bonds, 25 percent say user fees and charges should be increased, and 13 percent say taxes for all Californians should be raised. Asked about a proposed $6.5 billion bond measure to fund water projects, 55 percent of adults and 50 percent of likely voters would vote yes.

Majorities of Californians support legalizing marijuana and same-sex marriage and preserving access to abortion—three social issues that have been contentious across the nation. A slim majority of adults (52%) say marijuana use should be legalized—a record high and the first time support has been above 50 percent. A larger majority of likely voters (60%) favor legalization. Majorities (61% adults, 68% likely voters) also say the U.S. government should not enforce federal marijuana laws in the states that allow marijuana use.

Support for same-sex marriage is also at a record high, with 61 percent of adults and 64 percent of likely voters in favor. Although support continues to be higher among young Californians, a majority of those age 55 and older (55%) are also in favor for the first time. Support has increased 15 points among mainline Protestants since May (55% to 70%).

Large majorities (70% adults, 79% likely voters) say the government should not interfere with a woman’s access to abortion. This view is held by majorities across parties, regions, and demographic groups.

Obama’s approval rating dips below 60 percent among all adults. While a majority of Californians (55%) approve of the President’s job performance, his approval rating is below 60 percent for the first time since July 2012. Congress’ job approval rating remains low, at 28 percent. Californians are more approving of their own representative in Congress (47% approve). Senator Dianne Feinstein’s approval rating is 49 percent and Senator Barbara Boxer’s is 47 percent.

To obtain the survey, go to: http://www.ppic.org.