California Capitol Hill Bulletin

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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: HOUSE PASSES COMMERCE, JUSTICE, SCIENCE FUNDING

The House passed the FY 2015 Appropriations for the Departments of Commerce and Justice, and Science programs, HR 4660, late on Wednesday, May 28, 2014, by a vote of 321-87. The legislation contains $51.2 billion in total discretionary funding. This is a reduction of $398 million below the fiscal year 2014 enacted level.

The bill includes about $2.2 billion state and local law enforcement assistance programs, which is $82 million less than FY14 funding and $60 million less than the President’s request. There is a two percent increase for violence again women programs, but Juvenile Justice programs are cut by 12 percent. The original bill also cut $110 million from the COPS program, dropping funding to $70 million. During floor consideration, however, an amendment was adopted by voice vote to increase the COPS funding by $110 million, returning it to the FY14 funding level. To offset the increase, the amendment cuts Census Bureau funding by a like amount. Rep. Jerry McNerney (Stockton) also had an amendment adopted to increase funding for the Technology Grant Program by $3 million. The vote was 306-106.

The House also adopted by voice vote an amendment offered by Rep. Barbara Lee (Oakland) to provide an additional $3 million for grants given to states and localities under the 2008 Second Chance Act, which helps pay for programs that help inmates successfully transition from incarceration and avoid reincarceration. Also adopted by voice vote was an amendment sponsored by Rep. Julia Brownley (Thousand Oaks) to increase funding for Veterans’ Treatment Courts by $1 million.

By a vote of 260-145, the House agreed to an amendment offered by Rep. Mike Thompson (Helena) that added $19.5 million dollars to the budget of the National Instant Criminal Background Check system – a national database of individuals who are legally barred from purchasing firearms. Also, Rep. Dana Rohrabacher (Huntington Beach) offered an amendment to prohibit funding for DOJ to prevent states from implementing state laws that
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MaryBeth Sullivan
Executive Director

authorize the use, distribution, possession, or cultivation of medical marijuana. The amendment was adopted by a vote of 219-189.

NASA is funded at $17.9 billion in the bill, which is $250 million above the 2014 enacted level. This funding includes:
- $4.2 billion for Exploration – $54 million above the fiscal year 2014 enacted level. This includes funding to keep NASA on schedule for upcoming Orion Multi-Purpose Crew Vehicle and Space Launch System flight program milestones, and to continue progress in the commercial crew program.
- $5.2 billion for NASA Science programs – $42 million above the 2014 enacted level.

The Economic Development Administration (EDA) is appropriated $247.5 million – about equal to the fiscal year 2014 enacted level. This includes $5 million in grant funding to help encourage the repatriation of overseas jobs back to the U.S. During floor consideration, an amendment was defeated which would have defunded the EDA.

The legislation funds the National Science Foundation at $7.4 billion, an increase of $237 million above the fiscal year 2014 enacted level. This funding is targeted to programs that foster innovation and U.S. economic competitiveness, including funding for research on advanced manufacturing, cybersecurity, neuroscience and STEM education.

The bill provides $3.46 billion for the Patent and Trademark Office, which is equal to the estimated amount of fees to be collected by the PTO during fiscal year 2015, and is $434 million above the fiscal year 2014 enacted level. The bill also includes a provision that allows the PTO to use any fees in excess of the estimated collected amount, subject to Congressional approval. It also requires PTO to report on the status of four satellite offices, including one located in San Jose.

An amendment offered by Rep. Jared Huffman (Eureka) was also adopted by voice vote. It prohibits funds from being used to assess or collect a fee associated with Pacific coast groundfish regulations.


**Appropriations: House Committee Releases FY15 Homeland Security Bill**

On May 27, the House Appropriations Committee released its bill providing FY 2015 funding for the Department of Homeland Security. The bill provides $39.2 billion in discretionary funding for DHS. This is a decrease of $50 million below the fiscal year 2014 enacted level, but an increase of $887.8 million above the President’s request. Highlights of the bill include:

- **Customs and Border Protection (CBP)** – The bill contains $10.8 billion in discretionary appropriations for CBP – an increase of $219.6 million above the fiscal year 2014 enacted level and $98.3 million above the President’s request. This funding will provide for 21,370 Border Patrol agents and 23,775 CBP officers. Included in the funding is $412.5 million for border security technology, which is $61 million above the 2014 level and $50 million above the President’s request.
- **Immigration and Customs Enforcement (ICE)** – The bill provides $5.5 billion for ICE – an increase of $466.2 million above the President’s request and $210.9 million above the fiscal year 2014 enacted level. This includes $1.9 billion – an increase of $81.3 million above the fiscal year 2014 level – for domestic and international investigation programs, including efforts to combat human trafficking, child exploitation, cybercrime, and drug smuggling.

- **FEMA** – The bill fully funds FEMA’s stated requirement for disaster relief at $7 billion. The bill provides a total of $2.5 billion for first responder grants, equal to the fiscal year 2014 enacted level, which includes: $1.5 billion for State and Local grants, $680 million for Assistance to Firefighter Grants, and $350 million for Emergency Management Performance Grants.

- **Citizenship and Immigration Services** - $124.8 million, the same as the President’s request for E-Verify.

For more information, go to:

**APPROPRIATIONS: HOUSE REPORTS FY15 FUNDING FOR AGRICULTURE AND NUTRITION PROGRAMS**

On May 29, 2014, the House Appropriations Committee reported its FY 2015 funding for Agriculture by a vote of 31-18. The bill totals $20.9 billion in discretionary funding, which is equal to the fiscal year 2014 enacted level. Including both discretionary and mandatory funding for various nutrition programs, the overall bill totals $142.5 billion – $1.5 billion below the President’s request and $3 billion below the fiscal year 2014 enacted level.

Highlights of the bill include:

- **Agricultural Research** – The bill provides $2.65 billion for agriculture research programs, including the Agricultural Research Service and the National Institute of Food and Agriculture. This is approximately equal to the fiscal year 2014 enacted funding level. This funding supports research to help mitigate and stop crop diseases, and improve food safety and water quality.

- **Animal and Plant Health** – The legislation includes $870.7 million – $45.8 million above the fiscal year 2014 enacted level – for the Animal and Plant Health Inspection Service. This funding will provide support for programs to help control or eradicate plant and animal pests and diseases, and includes increases to fight citrus greening and a porcine virus.

- **Conservation Programs** – The bill provides $869 million – $43 million above the fiscal year 2014 enacted level – to help farmers, ranchers, and private forest landowners conserve and protect their land. This includes $25 million – an increase of $13 million – in infrastructure rehabilitation funding to help small communities meet current safety standards for watershed projects.

- **WIC** – The bill provides $6.6 billion in discretionary funding for WIC, which is $93 million below the fiscal year 2014 enacted level and $200 million below the President’s request. The bill includes provisions to add fresh white potatoes to the Women, Infants and Children supplemental nutrition program.

- **Child nutrition programs** – The bill provides for $20.5 billion in required mandatory funding – which is outside the discretionary funding jurisdiction of the Appropriations Committee – for child nutrition programs. This is $1.2 billion above the fiscal year 2014 enacted level. This funding will provide free or reduced-price school lunches and snacks for 30.4 million children who qualify for the program. The bill includes language requiring USDA to establish a process that will allow schools demonstrating an economic hardship to seek a waiver from compliance with new nutritional standards.
Rep. Sam Farr (Carmel) offered an amendment to delete the provision, arguing it would undermine efforts to provide children with nutritious meals. The amendment was defeated by a vote of 29-22.

For more information on the bill, go to:

ENERGY: HOUSE FOREIGN AFFAIRS Examines Benefits OF LNG TO ASIA

On May 29, 2014, the Subcommittee on Asia and the Pacific of the House Committee on Foreign Affairs held a hearing entitled, “Energy Needs in Asia: The U.S. Liquefied Natural Gas Option.” Because of technological advances developed here, the U.S. now finds itself with an abundant supply of natural gas – enough to meet domestic needs for at least the next century while being able to export a limited amount to important allied nations around the world. By 2016, the U.S. is expected to turn from net importer to net exporter of natural gas, which will bring about major domestic and international implications.


On behalf of Dominion Energy, Ms. Leopold discussed the benefits of federal policy that encourages export of U.S.-produced LNG. “LNG exports from the United States clearly have important and positive implications for the nation economically, environmentally and geopolitically. Good trading partners make good allies and good allies make good trading partners,” she said. Natural gas is a cleaner, more economical fuel than coal, so the U.S. could be poised to provide the world with increased access to a source of cleaner and reliable energy, which reduces U.S. (and ally) dependence on foreign oil. She also refuted the claim that increased export of LNG could drive up the price for the resource for Americans by forcing them to pay a “world price.” She compared the pricing dynamic of LNG to crude oil, wherein the significant expense to liquefy, transport, and regasify natural gas serves as a control on inflating the cost of LNG to a “world price” as is the case with crude oil that can be transported around the world with relative ease. Finally, she emphasized that “once operational, [the LNG export terminals planned] will support tens of thousands of additional jobs throughout the supply chain of producing, processing, and transporting gas to the terminals. Billions of dollars in new tax revenue will flow to federal, state, and local economies. And, the U.S. trade deficit will be reduced by tens of billions of dollars annually.”

All three witnesses discussed how Japan is expected to be the world's number one importer of LNG. However, at this point there are no existing LNG import or export terminals in California, nor are there any proposed LNG export facilities along the California coastline. According to the California Energy Commission, California gets 10 percent of its natural gas from in state production and 90 percent from five interstate natural gas pipelines.

For the full testimony of witnesses, please visit:

SECURITY: HEARING HELD ON PUBLIC SAFETY AT AIRPORTS

In contemplation of the tragic shooting that occurred at the Los Angeles International Airport (LAX) last November, the Subcommittee on Transportation Security of the House Committee on
Homeland Security on May 29, 2014 heard from witnesses about airport and law enforcement perspectives on best practices in preventing and responding to threats to public safety. Witnesses discussed TSA’s after-action review and recommendations for enhanced law enforcement presence at ticket counters and security checkpoints during certain peak travel times, and noted that while TSA is responsible for screening passengers and helping to prevent acts of terrorism against the aviation sector, the overall security and safety of the airport environment primarily lies with airport, local, and state law enforcement agencies stationed in and around the airport.

Witnesses included: Mr. Frank Capello, Director of Security, Fort Lauderdale - Hollywood International Airport; Mr. Michael J. Landguth, President and Chief Executive Officer, Raleigh-Durham Airport Authority, Raleigh-Durham International Airport; Mr. Kevin Murphy, President, Airport Law Enforcement Agencies Network; and Mr. Marshall McClain, President, Los Angeles Airport Peace Officers Association.

On behalf of Airport Law Enforcement Agencies Network (ALEAN), Mr. Murphy explained why mandatory stationing of law enforcement officers at checkpoints could do more harm than good. Doing so could severely limit the ability of police chiefs and commanders at airports to manage their officers in the most effective way possible. Given that all airports are unique and have different areas where security is just as critical as at a checkpoint, law enforcement must have the flexibility to patrol the area and deter threats at all parts of the airport—not just at checkpoints. Officers are a limited resource, and may not necessarily be used most effectively if required to be stationed at a checkpoint that may or may not present the most potential for risk. “Dynamic incidents, such as active shooters, will continue to occur in our nation and abroad. Only a flexible layered security stance which involves [coordination of] all entities within the airport complex will allow for a swift resolution and recovery from these incidents,” he said.

Further expanding on law enforcement perspectives, Mr. McClain on behalf of the Los Angeles Peace Officers Association said, “I am concerned that airport management at LAX is not balancing policing and security with their ambitions to physically expand the airport and market it as a destination for world travelers. In fact, the Department of Transportation’s (DOT) Office of the Inspector General (OIG) recently issued findings of a DOT IG Audit of LAX that found diversion of airport policing funds and other citations for diverting airport funds at LAX in the amount of $49 million, as well as other irregularities relating to an additional $7.9 million in undocumented policing monies. Furthermore, I am concerned that TSA has not moved on basic, low tech, low cost and low effort solutions that are necessary to mitigate and perhaps prevent future acts of violence at our airports.” Some of these solutions include fortifying security clearance areas, CCTV, panic buttons, 911 systems and airport phone caller identification. “While some would make the case that these are complex, highly expensive endeavors, they are not and they should be undertaken. I am hopeful that this committee will strongly encourage support of our recommendations with the airports who receive substantial federal funding in areas your committee authorizes,” he concluded.

For the full testimony of witnesses, please visit:

SECURITY: HOUSE JUDICIARY COMMITTEE HOLDS OVERSIGHT HEARING

The Honorable Jeh C. Johnson, Secretary of the U.S. Department of Homeland Security, testified before the House Judiciary Committee in a full committee oversight hearing on May 29, 2014 for the first time since taking the position in December 2013.
Chairman Goodlatte framed the hearing in his opening statement as one about the steps that the Administration has taken to implement “prosecutorial discretion” in the enforcement of immigration laws, with the stated intent of prioritizing resources to target undocumented immigrants engaged in criminal activity, among other targets. The Chairman voiced his concern that the beneficiaries of these policies have been “thousands of aliens who have been arrested by state and local law enforcement or convicted criminals who have been put in removal proceedings and who DHS simply has let back onto our streets.” He went on to note the Immigration and Customs Enforcement (ICE) claims of having removed record numbers of unlawful or criminal aliens from the United States, but says that this is only in conjunction with the increase in ICE’s budget from approximately $3 billion in 2005 to $5.8 billion in 2013.

Additionally, he said that these record numbers of removals rely primarily on counting apprehensions of individuals along the borders or ports-of-entry, rather than ICE removals of individuals residing in the U.S. If looking at the latter group, he cites a statistic that removal of these individuals has actually decreased 43% from 2008 to 2013. To the extent that convicted criminals and undocumented immigrants who have been arrested for various suspected crimes have been released, the Chairman has “asked DHS for identifying information on these released criminal aliens so that we may determine what new crimes they have gone on to commit” as well as noted his “grave concern for the future of immigration enforcement” with Secretary Johnson's comments about scaling back the DHS program Secure Communities.

Despite the Chairman's focus on immigration policies in his opening remarks, Secretary Johnson gave an overview of all law enforcement activities that the Department is undertaking. He discussed the Department's role in counterterrorism, which he views as the cornerstone of Homeland Security's mission, noting that al-Qaeda affiliates abroad remain a threat to national security, as well as domestic-based threats from individuals who “self-radicalize” and act mostly on their own to carry out mass violence. The domestic-based threats are the most challenging to detect, he said, and therefore the Department is evolving to collaborate with state and local law enforcement to counter violent extremism and active shooter threats.

“Homeland security depends on security along our borders and at ports of entry. At our borders and ports of entry, we must deny entry to terrorists, drug traffickers, human traffickers, transnational criminal organizations, and other threats to national security and public safety while continuing to facilitate legal travel and trade,” Secretary Johnson emphasized. He posited that increased support from Congress has helped to make progress in securing the nation's borders more than ever before through increased personnel, technology, and infrastructure, and agents on the ground producing results. He mentioned the growing concern of a substantial increase in the numbers of unaccompanied children, who are some of the most vulnerable individuals who interact with our immigration system. DHS is working closely with the Department of Health and Human Services (HHS) and other agencies to address this issue, he said.

As far as the President's directive to review DHS deportation policies to see if removals can be conducted in a more humane manner, Secretary Johnson testified that this review is ongoing, but that in the meanwhile, “I am committed to enforcing our immigration laws in a manner that best promotes and ensures national security, public safety and border security. I am aware of the reports that in Fiscal Year 2013 thousands of individuals with criminal convictions who may be removable were released from custody. I have asked for a deeper understanding of this issue. Many of these releases were directed by immigration judges or pursuant to legal requirements, and/or with conditions of supervision intended to ensure their monitoring and appearance. Nevertheless, I intend to work with ICE leadership to determine whether we are doing everything we can to maximize public safety.”
RESOURCES: HOUSE COMMITTEE REPORTS OUT EMIGRANT WILDERNESS BILL

On Thursday, May 29, 2014, the House Natural Resources Committee marked up several bills addressing wilderness and land issues. Among those bills was HR 3606, the “Emigrant Wilderness Historical Use Preservation Act of 2013,” which aims to preserve the “untrammeled and unimpaired wilderness character” of the Emigrant Wilderness of Stanislaus National Forest while allowing visitors to enjoy the recreational use of the park. The amendment offered in the nature of a substitute by Rep. Tom McClintock (Mariposa) was agreed to by voice vote, and HR 3606 was reported favorably to the house. A previous version of the bill limited equestrian activity to historic levels, while the amended version does not limit the use of commercial pack and saddle stock except where an environmental analysis shows that limitations are necessary to preserve the wilderness character of the area. The amended bill also requires that the Secretary of Agriculture develop an Emigrant Wilderness Plan within three years that would incorporate management direction for equestrian activities and other acceptable recreational uses of the area.

For the full text of HR 3606, please visit:
http://docs.house.gov/meetings/II/II00/20140529/102297/BILLS-113-HR3606-M001177-Amdt-ANS.pdf

REPORT: BAY AREA CONNECTIONS TO EUROPE EXAMINED

The Bay Area Council Economic Institute recently released a report entitled, “Europe and the Bay Area: Investing in Each Other,” which detailed the history of the economic connections between the two dynamic regions and the current state of affairs, including an assertion that trade between the two is strong and growing, despite the global recession and Europe's slow recovery. Cross investment between the Bay Area and Europe is greater than with any other global region, the report says. As professional and creative networks increase within the context of these two intimately connected regions, a post-national innovation system has emerged which defies the boundaries of national or regional borders. After explaining the historical context for which Europe and the Bay Area have developed deep traditions of trade, the report outlines how Europe has become the Bay Area's most significant global innovation partner, especially for R&D operations that have spurred innumerable breakthroughs in technology. Given this background, the report concludes with several policy proposals to further strengthen these economic ties.

The four policy proposals that the report expounds upon are: (1) negotiation and passage of the Trans-Atlantic Trade and Investment Partnership (TTIP); (2) immigration reform that enables European and other entrepreneurs from overseas to more easily start companies and stay in the U.S.; (3) regulatory streamlining to help entrepreneurs and investors from overseas more easily navigate California's complex regulatory environment; and (4) better support for bi-national start-ups through deeper support in Europe and new U.S.-European models for start-up finance.

The report summarizes key issues related to the negotiations of the TTIP, including the complexities around agricultural markets and protections, intellectual property, banking rules, and the film industry, among other issues. They cite a study by the Atlantic Council which finds that a successful TTIP would support more than 740,000 new U.S. jobs, including an estimated 75,000 jobs in California. Additionally, successful implementation of a TTIP would increase California exports to the EU by 26%. The top sectors by export increase would be motor vehicles ($3.3 billion), chemicals ($3.2
billion), and metals and metal products ($1.3 billion). Business services, financial services, and certain manufacturing would lead for job growth.

In terms of immigration policy, the report highlights two particular areas of concern: caps on visas for high-skilled workers and the lack of a visa category geared specifically to start-ups. Various visa types and their limitations are explained in the report, mostly citing time limits as the main detractor for individuals to successfully establish new companies in the U.S.

The lack of coordination between federal, state, and local regulations causes higher costs for companies to conduct business, the report argues. Labor, commercial, environmental and other regulations come into play, and companies do not have a single point of entry or one-stop process for regulatory review and approval. Coordinating these various regulations could encourage more investment and innovation, and can be done at the state level through the Governor's Office of Business and Economic Development (GoBiz), the report suggests.

Finally, the report describes how an emerging bi-national model of fostering entrepreneurial links can further spur economic development. The more initial entrepreneurial training and support that can be done in Europe will help European start-ups survive once they are situated in the Bay Area's richly networked environment. Also, young companies in both Europe and the U.S. could be partnered at an early stage to encourage more access to cross investment.


REPORT: PPIC SURVEYS SCHOOL POLICIES ON ENGLISH LEARNERS’ CLASSIFICATION

In a recent report entitled “Pathways to Fluency: Examining the Link Between Language Reclassification Policies and Student Success,” the Public Policy Institute of California published its findings on a survey of school district policies on reclassifying an English Learner (EL) student—one who needs supplemental language support to succeed in school—to English proficient. The study found that outcomes for students reclassified as English proficient are much better than for students who remain ELs. Questions about how quickly EL students should be reclassified, whether reclassification criteria should be standardized, and what the links between reclassification and academic success are framed the study, and ultimately led to policy proposals in the conclusion of the report.

Because Los Angeles Unified and San Diego Unified are the two largest school districts in the state, and together serve 15% of the state's EL students, the report focused on studying cohorts of students from these two districts as well as examined these districts' policies. Based on their findings, PPIC proposed the following: (1) use the California English Language Development Test (CSELDT) as the sole assessment for reclassification, or otherwise allow districts to use just one test; (2) consider the relative rigor of the reading and writing requirements in designing the new English language development tests; (3) districts should carefully consider whether reclassification standards that are more stringent than the State Board of Education guidelines are necessary, as students tend to benefit from being reclassified sooner; and (4) consider a standardized reclassification policy across school districts.

Given that the state will soon be implementing the new Local Control Funding Formula (LCFF), which gives school districts more money for higher numbers of EL students, the study noted that there is more urgent need than ever to ensure that reclassification policies are in the best interest of students. There is some concern that the LCFF incentivizes districts to delay reclassification of EL students to
English proficient, though findings suggest that earlier reclassification correlates with better academic outcomes.

For the full report, please visit: http://www.ppic.org/main/publication.asp?i=1089