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.

**CONGRESS: ELECTIONS FOR HOUSE AND SENATE LEADERSHIP POSTS RETAIN STATUS QUO**

Republicans and Democrats held their party leadership elections on Thursday, November 13, 2014. As expected, there was very little contention for the posts. In the Senate, Sen. Mitch McConnell (KY) was unanimously elevated to Majority Leader for the 114th Congress. Sen. John Cornyn (TX) will continue as the Republican Whip, with Sen. John Thune (SD) remaining Chairman of the Republican Conference, and Sen. John Barrasso (WY) staying on as Chairman of the Republican Policy Committee.

Sen. Harry Reid (NV) will continue to lead the Democrats as Minority Leader in the new Congress. Sen. Elizabeth Warren (MA) will become a member of the Democratic leadership team in a newly created position to improve outreach to progressives.

On the House side, Rep. John Boehner (OH) was re-elected by Republicans to continue as Speaker of the House. He will have to be formally approved by the whole House when the new Congress convenes in January. Rep. Kevin McCarthy (Bakersfield) will continue as Majority Leader and Rep. Steve Scalise (LA) remains Majority Whip. House Democrats won't vote on their leadership until next week. However, Reps. Nancy Pelosi (San Francisco) and Steny Hoyer (MD) are expected to easily retain their posts as Minority Leader and Minority Whip, respectively. Rep. Xavier Becerra (Los Angeles) is also expected to remain the Democratic Caucus Chairman.

**ELECTION: UPDATE ON CALIFORNIA RACES**

Rep. Scott Peters (LaJolla) has won re-election to the House. Peters, as of November 12, 2014 had garnered 98,563 votes (51.6%) to Republican Carl DeMaio's 92,590 (48.4%). DeMaio conceded on November 10th. It also appears that Rep. Julia Brownley (Oak Park) has held off a strong challenge from Republican Jeff Gorell. She led him 79,848 (50.8%) to 77,478 (49.2%). The Associated Press has called the race from Brownley and she has claimed victory. However, Gorell has not conceded and is waiting for the next announcement on votes on Friday.

The race between Rep. Ami Bera (D) and former Rep. Doug Ose ® in Sacramento County remains too close to call. As of November 12th, Bera had a slim lead with 87,643 votes (50.2%) to Ose's 86,932 (49.8%). There are still several thousand more votes that need to be tallied.

It's also still too early to call the race between Rep. Jim Costa (D) and Republican Johnny Tacherra in the Central Valley. As of November 12th, Costa had just barely pulled into the lead with 43,166 (50.0%)
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MaryBeth Sullivan
Executive Director

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**Internet: President Obama Joins the Debate on Net Neutrality**

On November 10, 2014, President Barak Obama released a statement accompanied by a video message in support of the concept of net neutrality, or the nondiscriminatory treatment of all Internet data. In his statement, the President urged the Federal Communications Commission (FCC), an independent agency, to reclassify consumer broadband service under Title II of the Telecommunications Act, a legal approach likened to redefining the Internet as a public utility.

In response, FCC Chairman Tom Wheeler immediately expressed his commitment to an open Internet, but did not outright endorse the president's recommendation in a press release. Instead, he admitted to exploring a hybrid approach that would combine the use of Title II and Section 706 of the Telecommunications Act, which might classify part of broadband service as a public utility.

The concept of net neutrality relies on the regulation of the Internet to prohibit Internet Service Providers (ISPs) from determining the speed or delivery of web content based on payment or other preferences. Those in support of net neutrality believe that such an approach would protect consumer access to information as well as encourage competition by ensuring lower barriers to entry for content providers. Those against net neutrality believe that such regulation would apply an outdated and restricted framework to the Internet and stifle both innovation and investment.

Chairman Wheeler acknowledged that reclassification and hybrid approaches have raised substantive legal questions, causing him to declare, "There is more work to do."


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**Education: The University of California Prioritizes Commitment to Veteran Students**

On Wednesday, November 12, 2014, the University of California hosted a panel entitled, "Committed to our Veterans and Those Who Serve." With regard to the student experience of veterans, the presentation focused on campus culture and climate, institutional programs and efforts, as well as recommendations to improve the experience of veterans enrolled at the University of California.

Panelists included James Bond, Coordinator of the Student Veteran Resource Center at UC San Diego; Chryssa Jones, Veterans Services Coordinator at UC Riverside; Ron Williams, Director of Re-entry Student and Veteran Services at UC Berkeley; and Sgt. Patrick Campbell, Veterans Advocate and Policy Analyst at the Consumer Financial Protection Bureau.

"Over 60 percent of UC's veteran students in academic year 2013-2014 were admitted as undergraduate transfers from California Community Colleges … and have a comparable graduation rate to all transfer entrants," boasted a written brief provided to attendees. The degree completion rate at UC
Riverside for three year transfer student veterans is nearly 90 percent with success attributed to the Post-9/11 GI Bill and improved veteran-specific campus services, such as counseling and psychological services, family services, career services, and student disability services. While attendees expressed concern over campus responses to veterans with post traumatic stress disorder, the panel indicated the importance and sensitivity with which such instances are addressed, but also highlighted that the largest combat-related issues faced by student veterans relate to hearing and mobility loss.

Amongst the challenges faced by university staff positioned to assist veterans include lack of access to student information and a burdensome method of administering educational benefits. Recommendations include updates to the Department of Veterans Affairs (VA) benefits portal to allow veterans the option to share portal information with schools for counseling purposes as well as partnership between the VA and Department of Education to develop an integrated system for the delivery of federal education benefits.

For additional information about the resources provided to veterans and military affiliated students by the University of California, please visit: www.ucop.edu/federal-governmental-relations. 

**HEALTH: RAND REPORTS ON POTENTIAL IMPACT OF AFFORDABLE CARE ACT CHANGES**

RAND Corporation recently released a report entitled *Assessing Alternative Modifications to the Affordable Care Act - Impact on Individual Market Premiums and Insurance Coverage*. It analyzes the impact of proposed alternatives within the Affordable Care Act, such as eliminating the individual mandate or tax credit subsidies, on individual market premiums and insurance coverage. The RAND report notes that the law has many mechanisms in place in order to keep healthcare coverage affordable and guard against adverse selection. Among these mechanisms are the individual mandate, tax credit subsidies, and robust enrollment of the young and healthy. Yet, the analysis shows that some of these mechanisms are more influential to ensuring universal coverage and affordable options.

Under current legal consideration is the challenge to healthcare tax credits offered in states with federally run exchanges. The majority of states offer healthcare exchanges that are federally run, although California is not one of them. The RAND study found that revoking tax credits would destabilize the market place, requiring all enrollees to pay the full cost regardless of income level. According to the research team, 2015 enrollments would drop by nearly 70% as premiums rise nearly 45%, placing the cost of healthcare out of reach for many and disincentivizing participation from the young invincible population.

Additionally, a study of the elimination of the individual mandate, which penalizes those who do not purchase healthcare, showed a large 20% decrease in enrollment but only a moderate 7% increase in premium levels. The legality of the individual mandate was upheld by the Supreme Court in 2012.

In order to view the full report released by RAND, please visit http://www.rand.org/pubs/research_reports/RR708.html.