



THE CALIFORNIA INSTITUTE FOR FEDERAL POLICY RESEARCH

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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.

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APPROPRIATIONS: SENATE AND HOUSE APPROVE "MINIBUS" FUNDING BILL

On Tuesday, September 18th, 2018, the Senate approved a "\$854 billion spending bill that includes funding for the Department of Defense, Health and Human Services (HHS), [and] Labor and Education." With a 93-7 vote, the Senate agreed upon a package that "represents roughly two-thirds of Congress's 2019 spending."

On Wednesday, September 26th, 2018, the House approved the spending bill with a 361-61 vote. The bill also includes a continuing resolution (CR) extending current funding levels for any unfunded agencies through the first two months of the fiscal year.

The short-term CR attached to the FY19 spending bill, H.R. 6157, includes funding the rest of government through Dec. 7 and prevent[s] a shutdown that would start Oct. 1." This article provides highlights of the bill.

Department of Defense - The FY19 bill funds the Department of Defense at \$674.4 billion, which is \$19.8 billion more than the previous fiscal year. This funding is broken down into "\$606.5 billion in base funding and \$67.9 billion for Overseas Contingency Operations (OCO) funding."

Military Personnel - The legislation provides \$143.2 billion "in base and OCO funding for military personnel accounts in FY 19," supporting a 2.6 percent pay raise for U.S. service members.

Readiness - The legislation provides \$243.2 billion for operations and maintenance for full warfighter readiness.

Shipbuilding - The legislation provides \$24.2 billion for Navy shipbuilding. This bill funds "the construction of 13 new battle force ships" and makes "important investments to accelerate future shipbuilding priorities."

Aviation Programs - The legislation provides \$43.0 billion for "the procurement of military aircraft."

Missile Defense - The legislation provides \$10.3 billion for the Missile Defense Agency (MDA), including funding for "missile defense tracking systems" and "hypersonic missile defense efforts."

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Munitions - The legislation provides \$18.3 billion for Missile and Ammunition programs, including "\$125 million to expand JASSM (Air Force and Navy) and LRASM (Navy) maximum production rates and an additional \$57 million for the Army's industrial facilities to increase production capacity."

Defense Health - The legislation provides \$34.4 billion for the Defense Health Program, "which provides medical services for military personnel and their families, continues advancements in medical research, and implements the next generation of electronic health records."

National Guard and Reserve Equipment - The legislation provides \$1.3 billion for the National Guard and Reserve Equipment Account to "modernize our reserve forces and ensure full interoperability with the active duty force."

Additional FY19 Initiatives - The legislation provides additional funding for basic research investments for the Army, Navy, Air Force, and DOD; test and evaluation infrastructure; hypersonics; directed energy; microelectronics; artificial intelligence; cyber; and space research.

Labor, Health and Human Services, Education - The FY19 bill provides \$178.1 billion "in discretionary funding for the Departments of Labor, Health and Human Services, and Education and Related Agencies to continue investments in critical medical research, opioid abuse prevention and treatment, and education."

National Institutes of Health - The legislation provides \$39.1 billion for the National Institutes of Health (NIH), which is a \$2 billion increase from FY18.

Opioid Funding - The legislation provides \$3.8 billion "to combat the opioid crisis," which is a \$206 million increase from FY18.

Elementary and Secondary Education - The legislation provides a \$299 million increase in funding for "Title I Grants to school districts; IDEA/Special Education State grants; Student Support and Academic Enrichment Grants; and Impact Aid."

Apprenticeship Opportunities - The legislation provides \$160 million for "training programs utilizing the flexible and effective apprenticeship model," which is a \$15 million increase from FY18.

For more information regarding the Senate spending bill, please visit:

<https://thehill.com/policy/finance/407218-senate-approves-854b-spending-bill?userid=264478>

For more information regarding the House actions, please visit:

<https://www.congress.gov/bill/115th-congress/house-bill/6157>

<https://thehill.com/policy/finance/408608-house-passes-854b-spending-bill-to-avert-shutdown>

For the full text of H.R. 6157, please visit:

<https://www.congress.gov/bill/115th-congress/house-bill/6157/text>

For additional highlights of H.R. 6157, please visit:

<https://www.appropriations.senate.gov/news/defense-labor-hhs-education-minibus-conference-report-filed>

EDUCATION: SENATE HELP COMMITTEE HOLDS HEARING ON THE EVERY STUDENT SUCCEEDS ACT

On Tuesday, September 25th, 2018, the Senate Committee on Health, Education, Labor & Pensions held a hearing titled, "The Every Student Succeeds Act: States Leading The Way." The witnesses were Matthew Blomstedt, Commissioner, Nebraska Department of Education; Susan Bunting, Secretary, Delaware Department of Education; Shavar Jeffries, President, Education Reform Now; and Molly Spearman, Superintendent, South Carolina Department of Education.

Mr. Blomstedt mentioned Nebraska's recent creation of "Nebraska Student Centered Assessment System (NSCAS)," which is "comprised of multiple measures of student learning, including formative assessments that enable educators to monitor student understanding and adjust instruction in the moment; interim assessments that track academic growth and target learning needs over time; and summative assessments that provide final measures of student achievement in English language arts, reading and science." With this new measure, Mr. Blomstedt is confident that Nebraska will be able "to test more efficiently and effectively, and provide a foundation for our efforts to improve education for all our students."

Ms. Bunting spoke of several Every Student Succeeds Act (ESSA)-related changes, one of which includes "the introduction of individualized district superintendent goal-setting and summative conferences." Ms. Bunting applauded the ESSA, stating that its "support model has helped to promote the redesign of the former silos, created by individual work groups, to a new synergetic team structure at the Department," over the "NCLB's focus on identifying and punishing schools."

Mr. Jeffries spoke on behalf of Education Reform Now (ERN), a "non-partisan think tank and advocacy organization with a national office...in DC." Mr. Jeffries applauded states like Washington which have made "significant progress on funding equity and differential pay for educations," however, he noted that despite some progress, "we still see too many states in which yawning achievement gaps persist along lines of income, race, nationality, and disability as well as deficits in equal educational opportunities that contradict the core purposes of ESSA."

Ms. Spearman stated that one important strategy South Carolina has implemented since the ESSA is the "development of a team of transformation coaches to build capacity and provide targeted assistance in the schools that need it most." Ms. Spearman also mentioned an example of the states' "commitment to high standards and accountability," by which the "state recently took over management of three school districts in South Carolina."

For more information regarding this hearing, please visit:
<https://www.help.senate.gov/hearings/the-every-student-succeeds-act-states-leading-the-way>

SMALL BUSINESS: THE HOUSE SMALL BUSINESS COMMITTEE HOLDS HEARING ON THE AVIATION WORKFORCE SHORTAGE'S IMPACT ON SMALL BUSINESS

On Wednesday, September 26, 2018, the House Small Business Subcommittee held a hearing to "examine the pilot and mechanic shortage in the aviation industry, in the context of small businesses." The witnesses were: Sarah Oberman Bartush, Chief Marketing Officer & Director of Business Development, CI Jets; Brett Levanto, Vice President of Communications; Aeronautical Repair Station Association; Martin Lenss, Airport Director; The Eastern Iowa Airport; and Kenneth Witcher, Ph.D., Dean, College of Aeronautics, Embry-Riddle Aeronautical University.

Ms. Bartush spoke of the pilot shortage currently occurring that is "creating great hardship on small businesses" like her family business located in Camarillo, California. Mr. Bartush

furthered, "the poaching of flight school instructors creates an obvious problem; eventually I may have no flight instructors to teach new pilots." Unable to compete with the "sign-on bonuses, lucrative salaries, and incredible benefits" that commercial airlines can offer, small businesses are suffering and "pilots will not be able to gain the experience and flight time that they need to safely work for the major carriers."

Mr. Levanto warned the committee that "Some experts believe the aviation maintenance industry is not yet experiencing a true 'shortage' of talent: The available supply of technicians will not officially be insufficient for demand until 2022; by 2027 the number of available technicians will fall nine percent short of what is required by industry." His company's solution, however, follows: "By providing points of connection through the Small Business Administration between technical education institutions, supportive industry groups and other stakeholders, Congress can provide venues for growth, lessons learned and career development between and among repair stations and other aviation businesses."

Mr. Lenss stressed that "we have a real and growing pilot supply issue that threatens to leave more communities with fewer commercial airline options," and that "the most at-risk in facing this challenge are the regional airlines and the communities across the U.S. they serve." Mr. Lenss stated that "lowering the financial barriers to the profession, increasing the number of pathways to accrue the necessary hours and modernizing pilot training," however, are potential solutions to solving this issue.

Dr. Witcher stated that a "shortage of pilots at the regional airlines level will most likely result in reduced service to smaller communities." He also spoke of technician shortage that "could be just as disruptive as the pilot shortage for small business." Due to technician shortages, Dr. Witcher furthered, "small repair shops, who need skilled labor, will find themselves unable to compete for the dwindling supply of experienced technicians due to increased wages offered by the larger Maintenance, Repair, and Overhaul (MRO) organizations."

For more information regarding the hearing, please visit:
<https://smallbusiness.house.gov/calendar/eventsingle.aspx?EventID=401153>

SOCIAL WELFARE: HOUSE SUBCOMMITTEES HOLD HEARING ON SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM FRAUD

On Wednesday, September 26, 2018, the House Subcommittee on Intergovernmental Affairs and House Subcommittee on Healthcare, Benefits, and Administrative Rules held a hearing on "how to combat Supplemental Nutrition Assistance Program (SNAP) fraud from both a federal and state perspective" and "to explore how Food and Nutrition Services (FNS) can more effectively assist states in the program's administration." The witnesses were: Ann Coffey, Assistant Inspector General Investigations, USDA Inspector General; Tarren Bragdon, President and CEO, The Foundation for Government Accountability; Thomas Roth, Director, Fraud Investigations Unit, Maine Department Health Human Services; and Dr. Craig Gundersen, Soybean Industry Endowed Professor in Agricultural Strategy, University of Illinois.

Ms. Coffey stated that "one of the most common abuses [the Office of Inspector General] OIG investigates is the trafficking of benefits, which is essentially the illegal exchange of food assistance benefits for cash." Ms. Coffey furthered that the "OIG devotes about 43 percent of its investigative resources to SNAP-related criminal investigations," and in the past 5 years, OIG has completed "857 SNAP investigations that have resulted in 2,302 indictments and 2,335 convictions."

Mr. Bragdon discussed major problem areas leading to fraud through the use of the food stamp program including reporting requirements, length of certification periods, residency and duplicate enrollment, deceased individuals, recipients and retailers trafficking benefits, uneven state efforts on fraud, and able-bodied adults expansion.

Mr. Roth stated that in 2017, Maine's Overpayment Specialist investigators "submitted more than 100 criminal cases for prosecution, which totaled more than \$1.4 million." They also identified "nearly 5,000 overpayments totaling \$4.1 million." Mr. Roth is confident that "Maine is successful in finding fraud because we take an active role in looking for it, we solicit tips from the public, and we publicize our results."

Dr. Gundersen began by applauding SNAP and called it "a shining example of a successful government program" that has "reduce[d] food insecurity in the United States." Dr. Gundersen cautioned, however, that while changes to reduce fraud should be made, "we should be careful about making changes that would hinder the success of SNAP," and "should be wary of ideas promoted in the name of program integrity that would undermine effectiveness."

For more information regarding this hearing, please visit:
<https://oversight.house.gov/hearing/supplemental-nutrition-assistance-program-fraud/>

ENVIRONMENT: SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS HOLDS HEARING ON HOW TO REDUCE THE IMPACT OF MAN-MADE TRASH ON THE ENVIRONMENT, WILDLIFE, AND HUMAN HEALTH

On Wednesday, September 26, 2018, the Senate Committee on Environment and Public Works held a hearing titled, "Cleaning Up the Oceans: How to Reduce the Impact of Man-Made Trash on the Environment, Wildlife, and Human Health?" The witnesses were: Dr. Jonathan Baillie, Executive Vice President and Chief Scientist, National Geographic Society; The Honorable Cal Dooley, President and Chief Executive Officer, American Chemistry Council; Bruce Karas, Vice President of Environment and Sustainability, Coca-Cola North America; and Dr. Kara Lavender Law, Research Professor of Oceanography, Sea Education Association.

Dr. Baillie stated that "plastic is one of the top threats to the environment, marine wildlife, human health, and the economy." Dr. Baillie shared some of National Geographic's efforts to address the plastic issue, including stopping plastic pollution at its source, improving plastic waste management, and cleaning up plastic fishing gear pollution. Dr. Baillie further implored the U.S. Government to "take its own steps to protect the oceans and marine wildlife upon which one in six American jobs depend," and suggested they "step up and be a true global leader on this issue."

Mr. Dooley explained that "plastic litter in the ocean is the result of poor or insufficient waste management and lack of sufficient collection, recycling and recovery facilities infrastructure in rapidly developing countries." Mr. Dooley stated several solutions to this problem, including "increased recycling and the potential shift toward greater recovery of plastics," and further believes that "awareness, deep appreciation and understanding of the marine debris problem now serves as the necessary prologue to embark on a journey toward creating and implementing sustainable solutions."

Mr. Karas spoke on Coca-Cola's new packaging vision, World Without Waste, where the goal is "to help collect and recycle the equivalent of every bottle or can" sold around the world by 2030. Mr. Karas explained that "the Coca-Cola system intends to back World Without Waste with a multi-year investment that includes ongoing work to make our packaging 100 percent recyclable by 2025." In their effort to "be part of collaborative solutions that prevent waste from getting to the

ocean in the first place," Mr. Karas explained their three strategic pillars, "design, collect, and partner," that ultimately work together to "support a healthy, debris-free environment."

Dr. Law stated that "the most effective way to reduce the impacts of plastic debris on wildlife and the marine environment is to prevent plastics from becoming ocean debris in the first place," and that accomplishing this is only possible by identifying the "origins of the debris, and the pathways by which it enters the ocean." Once the sources are identified, Dr. Law furthered, "we can best focus our time, attention and resources to design appropriate interventions that will reduce input from the source."

For more information regarding this hearing, please visit:
<https://www.epw.senate.gov/public/index.cfm/2018/9/cleaning-up-the-oceans-how-to-reduce-the-impact-of-man-made-trash-on-the-environment-wildlife-and-human-health>