



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 faxed bulletins regarding current activity on Capitol Hill which directly impacts our state. Bulletins are published weekly during sessions of Congress, and occasionally during other periods. The e-mail edition is made possible in part by in-kind contributions from Sun Microsystems and IBM Corp.

DEAR COLLEAGUE CIRCULATING ON SEMICONDUCTOR RESEARCH PROGRAM

Reps. Darrell Issa (Vista) and Anna Eshoo (Atherton) are circulating a Dear Colleague letter asking for signatures to a letter to the Defense Appropriations Subcommittee supporting \$20 million in FY05 funding for the Focus Center Research Program (FCRP). The FCRP was established in 1997 by the Department of Defense and the U.S. semiconductor industry as a public-private program of long-term university-based research focused on semiconductor technology issues of greatest importance to DOD and the semiconductor industry. The letter will be sent to Defense Appropriations Chair Jerry Lewis (Redlands) and Ranking Member John Murtha (PA),

The Dear Colleague letter calls the program “extremely important to California because nine of the 30 universities participating in the program are from California.” The California universities are: CalTech, Stanford, University of Southern California, and six UC campuses, including UCLA and Berkeley.

Also, the letter makes clear that the private U.S. semiconductor industry provides the majority of funding for the program’s research, and all funds go directly to the universities conducting the research. Semiconductor firms have provided \$78 million to the FCRP to date, while DOD has contributed \$40 million, thus far.

Offices of Members seeking further information or to sign the letter should contact Arisbe Aguirre in Rep. Eshoo’s office (x58104) or David Tebbe in Rep. Issa’s office (x53906).

LETTER TO BUSH FROM SENS. FEINSTEIN AND BOXER CALLS FOR INCREASED SCAAP FUNDING

Sen. Dianne Feinstein was joined by Sen. Barbara Boxer and ten other Senators in calling on the Administration to fund the State Criminal Alien Assistance Program (SCAAP) at a level of \$850 million for FY05. The program partially reimburses state and local governments for the costs of incarcerating undocumented criminal aliens. The President’s FY05 budget proposed eliminating funding for SCAAP.

The March 9 letter to President Bush states: “We write out of deep concern over your Fiscal Year 2005 Budget proposal to cut funding for the State Criminal Alien Assistance Program (SCAAP) by 100 percent. In

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addition, we are concerned that you propose eliminating this program altogether based on the Office of Management and Budget assessment of the program.”

The letter, urges the President to reconsider both of these recommendations and instead provide at least \$850 million for the program, because it is “vitaly important” to states and localities, who without the funding “will continue to unfairly shoulder the burden of bearing the costs of a Federal responsibility.”

Prior to FY03, Congress appropriated \$565 million for SCAAP, of which California received about \$220.2 million in FY2002 (more than 40 percent). In the FY03 Omnibus Appropriations bill, however, SCAAP funding was drastically cut to \$265 million, of which the state of California and its counties received only \$95,304,541. The FY04 Omnibus Appropriations bill included \$300 million for SCAAP.

Other Senators signing the letter were: Jeff Bingaman (NM), Maria Cantwell (WA), John Cornyn (TX), Mike Crapo (ID), Pete Domenici (NM), Bob Graham (FL), Kay Bailey Hutchison (TX), Jon Kyl (AZ), John McCain (AZ), and Charles Schumer (NY).

HOUSE SPEAKER ANNOUNCES PLANS TO DEVELOP A SIX-YEAR \$275 BILLION HIGHWAYS AND TRANSIT BILL

Earlier this week, Members of Congress meeting with city government and transportation planning representatives from California faced a flurry of concerns over the lack of consensus on highways and transit funding levels. House Speaker Dennis Hastert (IL), however, on Thursday, March 11, 2004 laid down likely House terms when he announced his intention to move a six-year, \$275 billion House bill.

Speaker Hastert said it was imperative to keep the process moving forward, though he gave no specific timetable. Bill drafting will take considerable effort, though observers speculated that Committee markup might be possible by late March.

Though the \$275 billion total would be modest compared to House Transportation Committee Chair Don Young’s (AK) original \$375 billion bill and the \$318 billion passed by the Senate in February, it surpasses the \$270 billion that the White House had called its upper spending limit. The President did not make a clear commitment of support for Hastert’s revised House figure, according to the Speaker.

In a letter to House transportation leaders, top advisors to the President threatened to recommend vetoing any bill that would raise taxes or place an undue burden on general fund revenues. The House’s original, higher-cost bill would have financed itself using both strategies, rendering its chances of final passage questionable. Speaker Hastert gave no details on how his bill would be financed but he said the bill would respect the White House’s parameters by adequately sustaining highways and transit programs through revenue collected in the Highway Trust Fund (HTF).

The Bush Administration warning did not deter the Senate from approving a bill that costs \$48 billion more than the President’s limit and shifts subsidies to ethanol producers from HTF to the General fund. The Senate bill was approved on the floor by a 78 to 12 vote.

For a transcript of Speaker Hastert’s press briefing comments, visit

<http://releases.usnewswire.com/GetRelease.asp?id=131-03112004> .

On a related matter, Rep. Bill Thomas (Bakersfield), Chairman of the House Ways & Means Committee, has indicated that he will conduct a second markup -- possibly next week -- of a bill to revise federal corporate tax laws. Among the subjects likely to be addressed in a markup of H.R. 2896 are provisions to increased tax funds flowing into the Highway Trust Fund (HTF), which supports federal highway and transit spending. A change is expected that would end an excise tax exemption for ethanol-blended fuels that has reduced HTF funding by approximately \$2 billion per year.

BIPARTISAN DELEGATION HOSTS HOMELAND SECURITY ROUNDTABLE

On Wednesday, March 10, 2004, a bipartisan cross section of California members of Congress participated in a roundtable regarding homeland security issues with various local officials from California, as well as officials from the Department of Homeland Security and Republican and Democrat staff of the House Select Committee on Homeland Security.

The panel, moderated by Los Angeles City Council President Alex Padilla, began with remarks by Rep. Jane Harman, ranking member of the House Intelligence Committee, who lamented that the nation still lacks a fully integrated national homeland security strategy. She criticized the current funding formula allocation for supporting first responders -- urging Congress to "abandon the squeaky-wheel theory of funds distribution." Harman noted that the formula ignores the fact that Southern California, for example, houses major ports, a very dense population, and major cultural icons such as theme parks and movie studios.

Rep. Christopher Cox (Newport Beach), who chairs the House Homeland Security Select Committee, discussed security issues but focused considerable attention on the issue of the taxation of internet commerce and activity. Cox cited recent findings showing that the internet is responsible for most if not all of recent economic growth in California, and he urged that the nation "go lightly" in taxing internet activities. Federal law prohibits multiple taxation and internet taxes. He said that the internet is unique because its packet-switching architecture could be uniquely vulnerable to widespread taxation if such taxes were permitted. He pointed out that some believe the simple presence of an internet server in a jurisdiction (domestic or international) could subject transmissions passing through it to taxation in the absence of a tax moratorium. He noted that California has benefitted greatly from the internet's growth, and that there has never been a tax on it at the state level. Therefore, Cox suggested, California would not benefit from an ending of the moratorium, but other states would. Discussing port security, particularly the claim that inadequate funding is hampering plans to ensure the safety of the nation's seaports, Cox commented that transportation security efforts began with a focus on airports, but that seaports are moving to the "top of the list."

Also participating in the discussion were Rep. David Dreier (Covina), Chair of the California Republican Congressional Delegation, and Rep. Diane Watson (Los Angeles), who this week was appointed to the National Security Subcommittee of the House International Relations Committee. She welcomed local participants and noted that local governments continue to face mounting difficulties ensuring that wireless communications systems operate with one another.

Rep. Zoe Lofgren (San Jose), Chair of the California Democratic Congressional Delegation, commented that the existing homeland security funding formula in 2003 provided California \$5 in grants per capita and Wyoming \$35 per capita. She recalled that, nearly a year ago, DHS Secretary Tom Ridge agreed that the formula needed changing. She expressed concern that there are still insufficient systems in place to check cargo containers, air travelers and border entrants, and she urged greater federal support for infrastructure protection.

Rep. Loretta Sanchez (Anaheim), a member of the Homeland Security Committee, noted that local governments must shoulder high personnel and overtime costs each time the nation's threat level is elevated, and she urged changes in federal programs to allow federal reimbursement for those costs. Citing statistics showing that recent temporary cessation of activities at the Ports of Los Angeles and Long Beach cost \$2 billion per day, she urged a sharp focus on port security preparation and planning.

Rep. Juanita Millender-McDonald (Carson) commented on the reauthorization of the TEA-21 surface transportation law, and the ongoing changes in total funding levels for the programs (see above article). She outlined her bill, the US Seaport Multi-Year Enhancement Act, which seeks \$700 million over six years for development of surface transportation interfaces with ports, and she urged greater federal focus on port security. Millender-McDonald noted that Southern California faces sharp increases in truck traffic, and promoted development of the Alameda Corridor East to facilitate the movement of goods from the Ports of Los Angeles and Long Beach to destinations across the country.

Staff of the House Homeland Security Committee stated that a bipartisan bill would be ready for full committee markup "very soon." H.R. 3266, authored by Chairman Cox, was approved unanimously at the subcommittee level in November 2003.

David Hagy, Director of the DHS Office of State and Local Coordination, outlined the Department's organizational structure and noted that grant information is available at <http://www.dhs.gov/grants>. He highlighted the President's FY 2005 budget request that would "flip" budgeting priorities, reducing funding for state and local first responder grants and concurrently increasing funds for the Urban Area Security Initiative (UASI), a discretionary grant program focused on urban areas.

APPROPRIATIONS PANEL DISCUSSES BORDER AND TRANSPORTATION SECURITY

On Thursday, March 11, 2004, the House Appropriations Subcommittee on Homeland Security heard testimony from Asa Hutchinson, Undersecretary of the Department of Homeland Security for Border and Transportation Security. The directorate over which Hutchinson has oversight includes the Transportation Security Administration (TSA) and various agencies that deal with immigration and border issues.

Subcommittee Chairman Hal Rogers (KY) noted that many local agencies continue to complain that federal assistance for first responders has not yet arrived, and Hutchinson suggested that states can be a “choke point” in the funding stream. (States are required to pass through 80 percent of most state and local homeland security grant funding to local agencies.) Another problem for some communities, Hutchinson said, is a reimbursement system whereby receipts for local expenditures must be requested back up the funding line. He added that sometimes communities need to learn how to obtain the available funding. In a follow-up discussions, Rogers said that “States need to be on notice that the clock is ticking,” and that, if states are the flow problem, “We may just have to bypass the states.” Asked whether there should be a list of minimum capabilities (a spelled-out list of minimal essential criteria) that state and local governments should be ready to employ in the event of terror attack, Hutchinson replied that the subject is worthy of review.

Other discussion focused on transportation of hazardous material, targeting ships and other carriers that might be transporting persons or materials, reimbursements for costs of dealing with elevated threat levels, and encouraging international partners (both businesses and governments) to help ensure the security of cargo shipments.

Rep. Granger (TX), who represents Dallas Fort Worth airport, asked about TSA letters of agreement (LOIs) with airports to enhance the screening of checked baggage, and specifically focused on the local reimbursement level. She noted that eight LOIs were signed previously (the largest of which was with Los Angeles International Airport) when the law required a 25 percent local match, but that recent legislation requires only a 10 percent match. She criticized TSA’s reported insistence that airports under existing LOIs continue to require a 25 percent match, stating that TSA is “penalizing those airports that stepped up to the plate early.” Hutchinson responded that TSA disagrees with the entire concept of moving to the 10 matching level, arguing that a lower match means more federal funds must be committed. He said that only four airports could be covered at a 10 percent match, compared to 12 airports at a 90 percent match. The LOIs will cost \$1.1 in federal funds from 2004-2008.

Rep. Lucille Roybal-Allard (Los Angeles) thanked Hutchinson for the development of a visa tracking system for foreign nationals, but she expressed concern that 27 countries are exempted from requirements, leaving a “large security gap.” She asked whether the excluded countries were on track to comply with the waiver requirement of developing a biometric passport screening procedure, and Hutchinson replied that only “one or two” countries are likely to meet the October 26 deadline for developing a machine-readable, biometric-featured visa tracking system. Roybal-Allard also noted that the Coast Guard has completed security assessments for only 16 of the nations top 55 seaports, and she asked Undersecretary Hutchinson’s assistance in encouraging greater progress to meet a December 2004 deadline. Hutchinson responded that the Coast Guard is aggressively pursuing such assessments.

Rogers urged that the US-VISIT border identification system be integrated with FBI criminal databases and with terror watch lists. Hutchinson noted that DHS ultimately wants to move to an entry-exit tracking system that employs radio frequency technology to detect and deter visa overstays. (Launched January 5, 2004, US-VISIT requires most foreign visitors to the U.S. on a visa to have their index fingers scanned and a digital photograph taken at the port of entry. Congress mandated an automated entry-exit program at the 50 busiest land ports of entry by the end of 2004, and at all land ports by the end of 2005.)

Rogers also focused attention on the shortage of space for detaining so-called OTMs individuals Other Than Mexicans that are stopped at the Mexican border, some of whom are released because of inadequate space. Hutchinson said that such persons are “processed and fingerprinted to ensure that they’re not terrorists,” but sometimes are released with a court date that 86 percent fail to meet, and he added that a new system will be “rolled out next week” to address the problem.

CALIFORNIA COUNTY OFFICIALS VISIT CAPITOL HILL

In conjunction with the National Association of Counties Legislative Conference from February 27 to March 2, various California county officials visited Washington to discuss federal priorities. The officials, including leaders of the California State Association of Counties (CSAC), met with members of Congress and key aides to discuss on transportation reauthorization, the State Criminal Alien Assistance Program (SCAAP), reauthorization of the Temporary Assistance for Needy Families (TANF) program, child support enforcement, and other county-related issues.

Discussions included one focused on transportation reauthorization with Rep. Gary Miller (Diamond Bar), and a visit regarding SCAAP and law enforcement block grant issues with White House Intergovernmental Affairs Director Ruben Barrales. CSAC officials discussed county priorities with Stacy Carlson of Governor Arnold Schwarzenegger's Washington office, California Democratic Congressional Delegation director Stacey Leavandosky, and California Republican Congressional Delegation staff contact Alisa Do. In addition, CSAC's Washington representatives, Waterman & Associates, conducted an issues briefing at its Capitol Hill offices.

For more information, visit the CSAC website at <http://www.csac.counties.org>.

BOXER MEETS WITH CALIFORNIA CITY REPRESENTATIVES

On Tuesday, March 9th, Senator Barbara Boxer addressed members of the League of California Cities (LCC), who were in town for their 2004 National League of Cities (NLC) Congressional City Conference. The NLC's Congressional visit from March 5th through March 9th focused on several issues, including such priorities as homeland security, affordable housing, education, and transportation.

California Institute Executive Director Tim Ransdell addressed attendees briefly, outlining findings from the Federal Formula Grants and California series - a joint venture between the Institute and the Public Policy Institute of California (PPIC). The series of reports Mr. Ransdell discussed are nonpartisan analyses of California's share of federal formula grants and the mechanics by which those funds are distributed. Thus far, reports on welfare, homeland security, federal highway programs, Head Start, and education programs for disabled children have been published and are available on the Institute's website (see below).

After Mr. Ransdell's opening remarks, Ron Leverage, mayor of the City of Riverside and the current president of the League of California Cities, thanked Senator Boxer for her continued leadership and awarded her with a recognition plaque expressing LCC's appreciation. Senator Boxer's speech touched on several issues of pressing importance to California cities, including transportation, homeland security, first responders funding, as well as internet taxes and MTBE liability exemptions. She acknowledged that local needs are up and that the tight fiscal situation at the national and state level will add a further strain on attempts to address those needs. She also spoke about the Senate transportation bill, which currently proposes a funding level of \$318 billion over a six year period, and pointed out that California would receive \$21 billion in highway funds as part of the package, constituting a 40 percent increase over the TEA-21 levels.

With respect to homeland security spending, and in particular the first responders money, Senator Boxer highlighted the fact that the President's budget proposed a 20 percent cut to the latter funding, including a 50 percent cut in state and local grants. In addition, she described her first responders bill, which would set up a first responders grant assistance hotline and create a new grant for interoperable communication systems. Senator Boxer added that she will be introducing another bill that seeks to reimburse local governments for salaries they pay to their public employees that get called for duty in Iraq, and also has a book in the works, which would outline the economic impact military bases have on immediate and outlying areas.

For more information about the Federal Formula Grants and California project, visit the PPIC website at <http://www.ppic.org/main/series.asp?i=22> or the California Institute at <http://www.calinst.org/formulas.htm>. For more information about the League of California Cities, visit <http://www.cacities.org>.

CALIFORNIA MISSIONS BILL CONSIDERED BY SENATE SUBCOMMITTEE

On Tuesday, March 9, 2004, the Senate Energy and Natural Resources Subcommittee on National Parks heard testimony on the California Missions Preservation Act (S. 1306), sponsored by Senator Barbara Boxer, and a companion House bill (H.R. 1446). The legislation would authorize \$10 million in federal matching funds over five

years to support the California Missions Foundation's efforts to restore and preserve the historic Spanish colonial missions in California, and to preserve of the artwork and artifacts associated with the missions. Senator Dianne Feinstein is a co-sponsor of S. 1306, and the House has already passed H.R. 1446, which was introduced by Reps. Sam Farr (Carmel) and David Dreier (San Dimas) with 47 other bipartisan California cosponsors.

Subcommittee members heard testimony by Senator Barbara Boxer and Rep. Sam Farr, as well as that of Mr. P. Daniel Smith, Special Assistant, National Park Service and Mr. Stephen T. Hearst, founding Chairman of the Board of the California Mission Foundation, and Vice President and General Manager of Sunical/San Francisco Realities, and others.

In her testimony, Boxer noted that all of the state's 21 missions are California Registered Historical Landmarks, and 7 are considered as National Historical Landmarks. She said she received 40 endorsement letters in support of the legislation, including that of California Governor Arnold Schwarzenegger. Senator Boxer testified that although the California Missions Foundation is leading a statewide campaign to raise \$50 million to repair the missions and to preserve their historical and cultural treasures, a federal-state-private collaboration, as proposed in the bill, is needed to save the missions.

Rep. Farr joined Senator Boxer in urging the Subcommittee members to pass the bill, and said that "the missions are an important part of the state's cultural fabric and must be preserved as priceless historic monuments; they are a living link to our past." He added that visits to the missions help drive tourism - the state's third largest industry, and that the missions represent a core component of the state's elementary school curriculum.

The Administration opposes the bill, according to Mr. Smith, because it believes that funding for the California missions' repair and restoration should come from already available sources of funding, such as the Save America's Treasures program, which has an annual budget of \$77 million, including \$15 million that is earmarked by Congress every year. Mr. Smith added that the Administration cannot afford to support California's missions because it is focusing its resources on taking care of existing National Park Service responsibilities. He also said that states, tribes, and local governments are responsible for such projects, not the federal government. Rep. Farr countered the Administration's opposition and Senator Boxer responded that existing resources available through the Save America's Treasures program are not sufficient to deal with California's needs.

For more hearing information, visit <http://energy.senate.gov> .

HOUSE COMMITTEE MARKS UP CHILD NUTRITION REAUTHORIZATION BILL

On Wednesday, March 10, 2004, the House Education and Workforce Committee marked up and reported out The Child Nutrition Improvement and Integrity Act, on a 43-0 voice vote. Last week, the Committee's Subcommittee on Education Reform passed the bill unanimously (See, [Bulletin, Vol. 11, No. 7 \(3/4/04\)](#)). The bill, H.R. 3873, was introduced by the Committee Chairman John Boehner (OH) and the Subcommittee Chairman Mike Castle (DE), and has various bipartisan cosponsors.

Rep. George Miller (Martinez), Ranking Member on the Committee, praised the many significant changes in the bill that ensure that more children have access to important nutrition programs. However, he voiced concerns over the fact that the bill does not address the issue of child obesity, which has become a major public health crisis.

The bill reauthorizes the National School Lunch and Breakfast Programs, Child and Adult Care Food Program, After-School Snack Program, Summer Food Service Program, and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and makes reforms to improve services and strengthen the programs on behalf of disadvantaged children and families. Specifically, the bill extends participation in child nutrition programs for eligible children whose parents are in the Armed Forces and living in privatized military housing. While it provides more than \$15 billion in funding annually, the bill promotes nutritional education and physical activity at the state and local level, and includes provisions that proscribe the federal government from dictating to local school districts on the content of wellness policies to encourage nutrition and physical activity. The bill also promotes partnerships between local farms and the child nutrition programs, makes improvements to the school lunch certification process, and affords dairy foods a central role in the National School Lunch Program.

For more information about this bill, please visit the House Education and Workforce Committee website at: <http://edworkforce.house.gov> .

FEMA AWARDS THE LAST OF ITS FY 2003 FIREFIGHTER ASSISTANCE GRANTS

On Friday, March 5, 2004, the U.S. Fire Administration (part of the Department of Homeland Security's FEMA office) announced the 35th and final round of fiscal year 2003 grants to local fire departments under the Assistance to Firefighters Grants Program.

At the final tally, after awarding \$695 million to 8,630 fire departments across the country, 255 California fire departments had received a total of \$30 million in grants. The state thus received 4.3 percent of total funds awarded nationwide. A full list of recipients is available on FEMA's website:

<http://www.usfa.fema.gov/inside-usfa/media/2004releases/030504.shtm> . Under the authorizing legislation, no fire department may receive a grant of more than \$750,000. The application period for 2004 grant funding opened March 1st and will end April 2, 2004.

For a detailed analysis of California's receipts from homeland security programs, see "Federal Formula Grants and California: Homeland Security." The report outlines the federal programs that distribute grants to the nation's first responders, examines the mechanics of formulas that determine funding levels for California and other states, and discusses legislative proposals to change these formulas. It is available on the Public Policy Institute of California website at <http://www.ppic.org/main/publication.asp?i=481> .

PPIC and the California Institute have partnered to create the Federal Formula Grants and California project to study the state's funding under major federal grants and on the formula factors used to determine California's share of funding from various grants. For more information, visit <http://www.calinst.org/formulas.htm> , or <http://www.ppic.org/main/series.asp?i=22> .

NEW PPIC STUDY ASSESSES HOUSING SITUATION IN CALIFORNIA

Contrary to popular public belief that California is experiencing a critical housing deficiency, the state's housing shortage is not as severe and may not even exist in many but the largest metropolitan areas, argues a new study released by the Public Policy Institute of California (PPIC) on Wednesday, March 10, 2004. Titled "*In Short Supply? Cycles and Trends in California Housing*", the report explores California's housing markets and attempts to explain why housing construction has lagged in the 1990s compared to previous business cycles.

The report found a statewide housing shortage of approximately 138,000 units, which is far lower than the shortage some estimate at upward of 1,000,000 units. The report's shortage estimate depends on larger economic and demographic factors, such as real median home values and incomes, rather than traditional factors used to calculate the oft-cited statewide housing problem. Further, the report suggests that the state's housing crisis is almost entirely confined to the state's three largest metropolitan areas: Los Angeles (including Orange County), the San Francisco Bay Area, and San Diego. In addition, the authors argue that the housing shortfalls in those areas are partially offset by surpluses in other geographic areas. Although the report did not find a widespread housing crisis, the authors do acknowledge that the affordability problem remains common in many of the state's regions.

Among the reports other major findings and conclusions are:

- Population growth outstripped new housing with housing production on the decline from 2.1 million units in the 1980s to 1.1 million in the 1990s; furthermore already-low vacancy rates in many counties declined even more in the 1990s and households generally became more crowded;
- Several reasons account for the dwindling housing construction in the 1990s, among them: 1) the state's population growth was a little more than half in the 1990s (3.8 million) than that in the 1980s (6.2 million); 2) household formation rates declined during the 1990s due to the aging of the baby boomers, who accounted for the increasing household formation rates in the 1980s; and 3) certain developments in financial market dampened new home construction;
- Although housing shortfalls in the Bay Area, coastal Los Angeles, and San Diego are cause for concern, the authors note that these areas are the least receptive to new construction, and their restrictive land-use policies exacerbated the shortages.
- The study recommends that policies designed to address housing shortages should focus on challenges in specific regions rather than taking the cookie-cutter approach.
- The study recommends that policies be enacted to encourage job growth in areas with relatively abundant housing, by providing infrastructure in less developed areas adjacent to existing job centers.

To view the report, visit the Public Policy Institute of California website at: <http://www.ppic.org> .

MORE CALIFORNIA LEADERSHIP ON ENERGY EFFICIENCY

In addition to honoring three California utility companies -- Pacific Gas & Electric, Southern California Edison, and Sempra Energy (San Diego Gas & Electric and Southern California Gas) -- the U.S. Department of Energy and EPA awarded their annual "Energy Star" honor to California's building industry for its efforts to increase the construction of energy-efficient homes by more than tenfold. California homebuilders completed 19,000 new homes that, when compared with typical new homes, will save an estimated 1,100 megawatt hours (the equivalent of a major generating facility).

Other California Energy Star award winners were Intel Corporation, Indoor Environmental Services of Sacramento, Fremont Unified School District, Pardee Homes, and the Sacramento Municipal Utility District. Awards were made at a ceremony in Washington D.C. on March 2, 2004. (See also [Bulletin, Vol. 11, No 7 \(3/4/2004\)](#).)

For more information on California's efforts, visit "Flex Your Power," an energy efficiency collaboration between the state's four investor-owned utilities (IOUs), participating municipal electric utilities, and other public and private sector participants, at <http://www.fypower.com/> .

CALIFORNIA COMMUTERS TRANSIT USE OVERSHADOWED BY AUTOMOBILE COMMUTE DOMINANCE, ACCORDING TO CENSUS REPORT

According a U.S. Census Bureau report released March 2, 2004, 5 percent of California's workers used public transit to get to work every day, while commuting by automobile, truck or van remained the overwhelmingly prevalent (87 percent) mode of transportation for Californians in 2002.

The report, using American Community Survey data, found that of 128.6 million workers nationwide, 6.4 million workers (5 percent) use public transit, with the most transit intensive states being Washington D.C., where 37 percent commute using public transit, and New York where 27 percent of workers use public transit to go to work. California was ranked 8th in the survey, though its 5 percent showing matched the national transit usage average. Extrapolating from these data, California represented 11.7 percent of the nation's total workers who used who commuted using public transit.

Among cities, the report found New York City to be the most transit incentive, with public transit used by 55 percent of commuters. Of California cities surveyed, San Francisco had the highest rate of public transportation ridership (396,000 users or 31 percent). Transit use was 12 percent in Los Angeles City, but the figure was considerably lower for the County; of the 4.1 million Los Angeles County working commuters, 72 percent drive to work alone, while 7 percent use public transit services. Other California city transit usage figures shown included Oakland at 13 percent; Long Beach at 7 percent; Santa Ana at 5 percent; Sacramento, San Diego and San Jose at 4 percent; Bakersfield and Stockton at 3 percent; Fresno and Riverside at 2 percent; Anaheim at 1 percent, and Visalia at 0 percent.

Of other modes of transportation available to commuters, automobiles were by far the most popular form of travel: 74 percent of Californians drive to work alone, while 13 percent carpool, four percent use another transportation mode, and four percent work from home.

For more information on this report, visit <http://www.census.gov> .

GAVIOTA COAST WILL NOT BE DESIGNATED A NATIONAL SEASHORE

The National Park Service (NPS) decided not to designate California's Gaviota Coast as a National Seashore citing "strong opposition" from local landowners as a primary reason for its decision.

The NPS decision followed a four-year study conducted by park service staff in California. The study, which was mandated by Congress in 1999, focused on about 200,000 acres ranging from Coal Oil Point at the University of California at Santa Barbara to Point Sal at the norther boundary of Vandenberg Air Force Base. Most of the land in question is already considered public land as part of Vandenberg and the Los Padres National Forest, though some of the land is part of large ranches which are privately owned.

NPS did find that the land in question, which is one of the last undeveloped stretches of Southern California's coast, qualifies for inclusion in the national park system and did not rule out a possibility of future protection. The designation was sought by local conservationists who wanted federal funding for purchase of large ranches and other shoreline parcels for subsequent preservation before they were sold to developers.

CALIFORNIA COASTAL COMMISSION BRIEFS DELEGATION

Officials of the California Coastal Commission held a briefing for staff of the California Congressional Delegation on Tuesday, March 9. The briefing was presented by Commission Executive Director Peter Douglas; Federal Programs Manager Rebecca Roth; Steve Goldbeck, Deputy Director of the San Francisco Bay Conservation and Development Commission; and Georgetown University Law Center Professor Matt Porterfield.

Mr. Douglas reviewed the status of the case pending on the Commission's constitutionality. The case has been accepted by the California Supreme Court, but oral argument has not been scheduled. California's lower courts found that the make up of the Commission violated the California constitution because Commissioners are appointed by and serve at the pleasure of the legislature. Since those rulings, the legislature passed and former Governor Gray Davis signed legislation that the Commission expects to rectify the problem.

Mr. Douglas also briefed staff on several proposals for liquefied natural gas (LNG) pipelines and desalination facilities that are expected to be reviewed by the Commission. Regarding desalination proposals, Mr. Douglas said the Commission is concerned that if they are solely private ventures it would encourage proliferation of facilities. Rather, the Commission believes desalination facilities should be constructed and run by a public entity.

Mr. Porterfield briefed the staff on international treaties and agreements that may impact proposals for coastal development. Among the issues he raised was the impact of the international investment rules under NAFTA and other recently approved trade treaties, such as the U.S.-Singapore Agreement, which gives foreign investors the right to sue in the United States for violation of the agreements.

CHILD CARE CENTERS SUPPORT ADVANCED LEARNING AMONG POOR CHILDREN, REPORT ASSERTS

A new report by the Stanford School of Education in partnership with UC Berkeley finds accelerated cognitive growth and social development among poor children enrolled in California and Florida child care centers compared to peers who were delivered home-based care.

Low income center care children being tracked demonstrated advanced language and cognitive proficiency in their test scores, according to the report. The report entitled "Child Care in Poor Communities: Early Learning Effects of Types, Quality and Stability" used the results of longitudinal assessments between 1998 to 2000 to identify accelerated school readiness of up to 6 months for preschoolers attending child care centers. Moreover, an extra two months of learning preparedness existed among children enrolled in high quality care centers employing college educated staff.

The report found little evidence supporting the notion that behavioral problems among poor preschoolers enrolled in child care centers were more prevalent compared to home based children, refuting the conclusions of two studies in 2003 linking center care to disobedience among children. The authors note that the Stanford study focuses on poor children while others examined children from middle-income families.

The report's authors claim that the results will help policymakers identify the benefits of sustaining and expanding center based child care, referring to preschool as a "crucial ingredient in education" for poor families.

The report may be viewed on line at http://pace.berkeley.edu/Stanford_Child_Dev_Findings.pdf .