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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 that directly impacts the state. Bulletins are published weekly during sessions of Congress, and occasionally during other periods.

HOUSE PASSES OMNIBUS FY 2007 CONTINUING APPROPRIATIONS

On Wednesday, January 31, 2007 the House of Representatives voted 286-140 to approve a comprehensive Continuing Resolution (H.J.Res. 20) to fund the federal government for the remainder of Fiscal Year 2007. The \$463.5 billion bill stays within the discretionary spending limits imposed by President Bush, but shifts billions of dollars among programs to fund priorities set by the leadership. To accomplish this, the Appropriations Committee decreased funding for over 60 programs and rescinded unobligated balances of FY06 funding in order to shift approximately \$10 billion in funding for other items. In addition, the CR eliminates earmarks with the Committee stating its intent to instead “help state and local governments meet the needs of their communities by providing funding for grants through authorized discretionary and formula programs.”

Some of the programs that the House leadership states would see increased appropriations include:

Dept. of Veterans Affairs

-Veterans Healthcare: \$32.3 billion (increase of \$1.2 billion) to provide for an anticipated increase of at least 325,000 patients.

Dept. of Defense

-Base Realignment and Closure: \$2.5 billion; an increase of \$1 billion, but \$3.1 billion below the President’s request.

Crime and Law Enforcement

-DOJ State and Local Law Enforcement and COPS: \$520 million for Byrne Justice Assistance Formula Grants, an increase of \$109 million and \$542 million for Community Oriented Policing Services (COPS), an increase of \$70 million.

Dept. of Education

- Pell Grants: \$13.6 billion, including an increase of \$615.4 million that is said to be in order to raise the maximum grant by \$260 to \$4,310.
 -Special Education: \$10.7 billion (increase of \$200 million) for IDEA Part B state grants.
 -Title I K-12 Grants: \$12.8 billion, with an increase of \$125 million to provide intensive reading and math instruction to approximately 38,000 additional low-income children performing below grade level.

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-Title I School Improvement Fund: \$125 million for a new program to target assistance to the 6,700 schools that failed to meet No Child Left Behind requirements.

The CR notes that no funds are provided for the Elk Hills School Lands Fund, which is appropriate given that the final payment was made in FY 2006.
-Head Start: \$6.9 billion (increase of \$103.7 million), reported to be in order to help prevent a reduction in program enrollments.

Public Health and related programs

-Community Health Centers: \$1.9 billion (increase of \$207 million) to finance purportedly 300 new or expanded health centers and 1.2 million new patients.

-Ryan White CARE Grants: \$1.2 billion, an increase of \$76 million.

The resolution also provides for advance payments for the first quarter of 2008 for a number of programs, including \$65 billion for Medicaid, \$1 billion for child support enforcement and family support programs, \$1.8 billion for foster care and adoption assistance, and \$16.8 billion for SSI.

The CR also provides for \$587.8 million Refugee and Entrant Assistance, of which \$95.3 million is to be for "costs associated with the care and placement of unaccompanied alien children."

Scientific Research and Innovation

-National Institutes of Health: \$28.9 billion (increase of \$619.5 million)

-National Science Foundation: \$4.7 billion (increase of \$335 million)

-Department of Energy, Office of Science: \$3.8 billion, an increase of \$200 million, but below the \$4.13 billion proposed by in the Administration's budget request.

-Department of Energy, Energy Efficiency, and Renewable Energy Resources: \$1.5 billion (increase of \$300 million)

Dept. of Housing and Urban Development (HUD)

-Section 8 Tenant-Based Program: \$15.9 billion (increase of \$502 million) to renew 70,000 housing vouchers currently in use by individuals and families.

-Section 8 Project-Based Program: \$5.9 billion (increase of \$939 million) to renew 157,000 housing vouchers currently in use by individuals and families.

-Public Housing Operating Fund: \$3.8 billion (increase of \$300 million) to allow Public Housing Authorities to address operating needs resulting from last year's increased energy costs.

Interior and the Environment

-Clean Water State Revolving Fund: \$1 billion (increase of \$197 million)

-Indian Health Service: \$2.8 billion (increase of \$125 million)

-Operational shortfalls for parks, refuges, forests, and other public lands: an increase of \$100 million for visitor services, maintenance, and other costs.

-USDA Forest Service/Wildland Fire Management: \$1.8 billion (increase of \$70 million) to ensure costs are met for the upcoming Summer 2007 fire season.

Within the \$37 million (before across-the-board cuts) for California Bay-Delta Restoration, a \$500,000 earmark of funds for the Army Corps of Engineers for a levee stability project report is to be omitted for FY 2007. This is among myriad eliminated ACE earmarks.

The CR explicitly prohibits funds from being used for "any proposal to store water for the purpose of export, for approval of any right-of-way or similar authorization on the Mojave National Preserve" or lands managed by the Needles office of the BLM, or any related activities.

Transportation Guarantees

-Federal Highway Administration: the Federal-aid highway program is fully funded at the level guaranteed in SAFETEA-LU by providing an obligation limitation of \$39.1 billion for FY2007, \$3.5 billion over the FY 2006 enacted level.

-Federal Transit Administration: \$8.97 billion for federal transit programs, an increase of \$470 million to meet the transit funding guarantees laid out by SAFETEA-LU.

Countervailing Reductions

\ Among the programs that would be cut are:

- Community Development Fund: the \$3.8 billion funding is \$406 million less than FY06, but \$740 million more than the Administration's request.

- Army Corps of Engineers Construction Expenses: \$115 million less than FY06

The CR retains across-the-board reductions that were applied in FY 2006 to all programs (1%), as well as additional targeted cuts to interior programs (an extra 0.476%) and to science, justice, commerce, and State Department programs (an additional 0.28%).

Rescission of Unobligated Prior-Year Balances

The resolution would rescind funding that was appropriated in funding bills for prior years but has not yet been spent.

Importantly, one of the programs for which 2006 awards still have not yet been announced is the State Criminal Alien Assistance Program (SCAAP), which reimburses state and local governments for the costs of incarcerating illegal alien felons and of whose funds California receives nearly 40 percent. (The Bush Administration, which supports eliminating the program, has not explained the lengthy grant delay.) Participants close to the process, however, do not believe prior year SCAAP funds would be subject to rescission, in part because states applied to DOJ for the funds nearly a year ago, and the funds in question relate to state and local government expenses incurred in 2004 and 2005.

The CR now goes to the Senate where the date for consideration has not been set. The current CR, however, expires February 15.

A summary of the resolution, as well as its full text, is available at <http://appropriations.house.gov>.

WATER QUALITY BILLS APPROVED BY HOUSE T&I SUBCOMMITTEE

The House Transportation & Infrastructure Subcommittee on Water Resources and Environment marked up three bills on January 31, 2007 dealing with water quality issues – the Water Quality Financing Act of 2007 (H.R. 720), the Healthy Communities Water Supply Act of 2007 (H.R. 700), and the Water Quality Investment Act of 2007 (H.R. 569). All three were reported from the Subcommittee by voice vote.

H.R. 720, reauthorizes the Clean Water State Revolving Fund, which would provide \$20 billion over five years for loans to water-pollution-abatement projects. The bill also provides for greater flexibility in the financing packages states offer to cities and local communities, including principal forgiveness, negative interest loans, and other financing mechanisms that may be necessary to assist communities in meeting their water quality infrastructure goals.

H.R. 700, introduced by Reps. Ellen Tauscher (Alamo) and Jerry McNerney (Tracy) reauthorizes \$125 million for the Environmental Protection Agency's (EPA) alternative water source grants program. Eligible projects include those designed to conserve, manage, reclaim, or reuse water or wastewater, or treat wastewater to meet critical municipal, industrial, and agricultural water supply needs.

H.R. 569 reauthorizes appropriations to municipalities to control combined sewer overflows (CSOs) and sanitary sewer overflows (SSOs). Both CSOs and SSOs are overflows of untreated waste that can occur during wet weather events as a result of poor maintenance, deteriorating infrastructure, or inadequate system capacity.

The House T&I Committee's website is <http://transportation.house.gov/>.

SENATE FINANCE COMMITTEE DISCUSSES THE FUTURE OF CHIP/SCHIP PROGRAM

On February 1, 2007, the Senate Committee on Finance held a hearing entitled "The Future of CHIP: Improving the Health of America's Children." Children's Health Insurance Program (CHIP) is a series of

state grants intended to provide health insurance programs for uninsured children in low-income families. (Note: While HHS and most states refer to this program as SCHIP, the *State Children's Health Insurance Program*, some states use the term CHIP -- among them Montana, home state of Senate Finance Committee Chairman Max Baucus.)

In California, CHIP funds are the main support for Healthy Families programs. The federal program is up for reauthorization this year.

The Senate Committee heard testimony from a family enrolled in the CHIP program, representatives from the Government Accountability Office, Georgetown University Health Policy Institute, and state departments of Human Services. CHIP enrollment increased rapidly in the early years of the program but has since stabilized and while funding was initially low, many state CHIP programs now threaten to exceed their allotted funding. This was the primary point of discussion in the hearing.

Some of the main points discussed in the hearing included:

- Flexibility in the program; it was proposed to not allow states to cover children over 200% of the poverty level
- California currently covers children up to 300% of the federal poverty level
- The amount of funds do not take language accessibility into account; an especially important obstacle for California programs
- Problems in the formula; when children are enrolled they become ineligible for future funding allocation
- CHIP is successful partly because of the stigma of being on Medicaid. CHIP is more like regular insurance and families want to choose between Medicaid and CHIP
- States having CHIP funding shortfalls have a high percentage of funding going to adults not children; some states also have been allowed to expand coverage to include childless adults under their S-CHIP program
- Reports contain inconsistent and ineffectual data on uninsured children
- Parents of CHIP children should also be extended coverage as an incentive for parents to enter their children in the program

For more information, please visit: <http://finance.senate.gov> .

WAYS AND MEANS CONSIDERS GLOBAL TRADE ISSUE

The House Ways and Means Committee held a hearing on Tuesday, January 30, 2007 on Trade and Globalization. The hearing explored the integration of markets brought about by globalization and examined how U.S. trade policy can be used to shape globalization to maximize its benefits and ensure that they flow evenly throughout society, as well as ensure that the forces of the global economy are harnessed to generate the maximum amount of economic growth.

The Committee heard from the following witnesses: Daniel Tarullo, Ph.D., Professor of Law, Georgetown University; The Honorable Grant Aldonas, William M. Scholl Chair in International Business, Center for Strategic and International Studies; Gene B. Sperling, Senior Fellow for Economic Policy and Director of the Center for Universal Education, Council on Foreign Relations; John Meier, Chief Executive Officer, Libbey Glass, Inc.; Harold McGraw III, Chairman, President, and CEO, The McGraw-Hill Companies, and Chairman, Business Roundtable, and Chairman, Emergency Committee for American Trade; and Lawrence Mishel, Ph.D., President, Economic Policy Institute.

Prof. Tarullo discussed the implications of the information technology revolution and their "profound" impact on trade and the global economy. He noted that it has enabled companies to break up their production processes into discrete segments that are not physically proximate to one another. Each segment can be placed in whatever location in the world offers the combination of infrastructure, skills, labor markets, and general business environment best suited to produce that segment at the lowest cost. In addition, Tarullo testified the IT revolution has opened up new possibilities for services to be performed at locations remote from either a related producer or an ultimate consumer. Consequently, the set of potentially "tradeable" services is growing and with it the likelihood of further structural economic shifts.

To respond to the globalization of trade, Prof Tarullo recommended four tenets for U.S. trade policy: 1. It should provide significant gains for U.S. workers, consumers, and businesses; 2. Trade Agreements should

contain provisions that are consistent with the exercise of responsible governmental authority. 3. Trade Agreements should support an international economic system consistent with American economic and political interests. And 4. Trade policy should be situated in programs and policies that will give all Americans a chance to prosper.

Mr. Aldonas stressed that while he is a firm believer in free trade and globalization, it is nevertheless Congress' responsibility to examine the effects of globalization and develop policies that deliver the benefits of trade to all segments of society from the biggest corporation to the lowest wage earner. He recommended, for example, that the Committee review the trade adjustment assistance programs, noting that it was counterintuitive to him that a worker could not receive job training until he or she had been out of the job market for a period, and that the required linking of a job loss to trade was artificial and job retraining and assistance should be provided on a broader basis.

During the question and answer period, there was considerable discussion on how to mitigate the impact on workers from outsourcing and loss of jobs to non-U.S. competitors. Some of the witnesses encouraged the Committee to improve the existing trade adjustment assistance and training programs, and others offering that wage insurance programs should be considered.

For witness testimony, visit the Committee's website at: <http://waysandmeans.house.gov> .

SENATE JUDICIARY EXAMINES STATUS OF U.S.-VISIT PROGRAM

Senate Judiciary Subcommittee on Terrorism, Technology and Homeland Security held a hearing on January 31, 2007 on "US-VISIT: Challenges and Strategies for Securing the U.S. Border." The Subcommittee heard from several witnesses, including: Richard Barth, Ph.D., Assistant Secretary, Office of Policy Development, Department of Homeland Security; Robert A. Mocy, Acting Director, US-VISIT, Department of Homeland Security; Richard Stana, Director, Homeland Security and Justice, Government Accountability Office; and Phillip J. Bond, President and CEO, Information Technology Association of America;

In her opening remarks, and throughout the hearing, Subcommittee Chair Dianne Feinstein expressed her exasperation at what she considered the "failure" to implement an entry-exit program. She chided the DHS for missing the statutorily mandated June 2005 deadline to submit a report to Congress on the status of a biometric identification program and the manner in which the program would be implemented. "The Congressional mandate to create a system for tracking who enters and leaves this country was first codified in 1996 with a deadline of establishing a workable program ... almost ten years ago," she said, adding, "Since that time, Congress has extended the deadline over and over again. Time and time again, we have sacrificed our border security because of inaction or slow action by the federal government."

Senator Feinstein also expressed concern that all testing of an exit program has been suspended, and was skeptical that the Department's answer that it would be too expensive and cause too many traffic jams was sufficient to stop the program from moving forward.

In his testimony, Secretary Barth stressed the difficulties in creating the infrastructure, architecture, and operational processes for exit screening, noting that there are currently no fixed inspection booths or other facilities to process international travelers as they leave the United States. Nevertheless, he testified that the Department remains committed to establishing a comprehensive biometric-based entry and exit border system, and proposes an incremental deployment into the three port of entry environments – air, sea, and land-with an initial focus on air (Air Exit Solution). The long-term exit solution would then be deployed to seaports to provide an integrated biometric exit capture for cruise line passengers. As for the land environment exit, however, Sec. Barth reiterated that implementation would be significantly more complicated and costly, and DHS has not yet been able to identify a time frame for implementing the program or the estimated cost.

Mr. Stana credited DHS with its implementation of the U.S.-VISIT entry program, noting that it has been installed at 154 of the 170 land ports of entry and that DHS has improved its ability to process visitors and verify identities and has plans to further enhance its capabilities. On the other hand, however, GAO's report found that management controls in place to identify problems and evaluate operations were insufficient and inconsistently administered. For example, he noted, US-VISIT has developed performance measures, but measures to gauge factors that uniquely affect land POE operations were not developed. In addition, regarding

implementation of the exit program, DHS has not articulated how US-VISIT is to align with other emerging land border security initiatives and mandates, such as the one requiring individuals to show a passport at land ports of entry by 2009. As a result, DHS can not ensure that the program would meet strategic program goals and operate cost effectively, according to Stana.

For testimony, visit the Committee's website at: <http://judiciary.senate.gov> .

WITH BOXER AS CHAIR, SENATE ENVIRONMENT PANEL TAKES UP GLOBAL WARMING

The Senate Environment and Public Works committee held a hearing on January 30, 2007, to hear Senators' views on the global warming issue and how the nation should respond. In addition to the fourteen members of the committee, eleven other Senators offered testimony giving their perspective on global warming, including Sen. Dianne Feinstein, who has introduced the Electric Utility Cap-and-Trade Act, which would establish a national cap-and-trade system that would first cap, and then decrease electricity sector emissions by 25 percent below projected levels by 2020.

In her opening remarks, Committee Chair Barbara Boxer stressed that the time has come to deal with the problem, "If we fail to take action on global warming now, we can expect future catastrophic impacts like rising sea levels, more extreme weather events of all kinds, damage to coral reefs and fisheries, and negative impacts on food production and water supplies. We need to act soon, before we reach a tipping point when irreversible changes to the world we know may occur." She noted that California has already moved to address the problem with the enactment of AB 32, an economy wide global warming bill, which sets a mandatory cap on carbon pollution, including a 25% reduction from projected levels by 2020. In addition, Boxer pointed out that Governor Schwarzenegger also signed an Executive Order establishing a goal of an 80 percent reduction in greenhouse gases by 2050 from 1990 levels.

For several hours, members from both parties representing different states and regions discussed the impacts of global warming on the country as a whole and within their state. Many differing views were introduced throughout the hearing. Senator Frank Lautenberg (NJ) expressed his belief that "The U.S. needs to actively engage in the war on global warming. And it starts with this committee," whereas, Senator James Inhofe (OK) stated, "I also look forward to vigorously pointing out the lack of scientific consensus, the real economic impact, and the effects of unilateral disarmament of our economy if we enact mandatory carbon reductions in the U.S."

Although Senators differed on the salience of global warming and different approaches to address the issue were introduced, the discussion seemed to center on the creation of some type of "cap-and-trade" system to establish a market for emissions reductions. A "cap-and-trade" system draws upon the power of the marketplace and financial incentives to reduce emissions. An environmental regulator establishes a "cap" on emissions, and these emissions are divided up into individual permits. Companies can buy and sell permits, so companies able to reduce their emissions at a low cost can sell their extra permits to companies facing high costs.

For further testimony from the hearing, go to <http://epw.senate.gov> .

SENATE ENERGY COMMITTEE EXAMINES GLOBAL WARMING ANALYSIS

The Senate Committee on Energy and Natural Resources conducted a hearing on January 24, 2007, to discuss the Energy Information Administration's (EIA) analysis of draft global warming legislation. A panel of witnesses offered testimony regarding the analysis and the energy and economic impacts of a proposal to reduce greenhouse gas (GHG) intensity with a cap-and-trade system. The panel included Dr. Howard Gruenspecht, Deputy Administrator of the EIA; Jason Grumet, Executive Director of the National Commission on Energy Policy; Dan Lashoff, Senior Scientist at the Natural Resources Defense Council; Dr. Anne Smith, Vice President of CRA International; and Jeffry Sterba, Chairman, President, and CEO of PNM Resources Inc.

Dr. Howard Gruenspecht focused on the energy and economic impacts of a cap-and-trade program for greenhouse gas (GHG) emissions. Some key points in his testimony included his findings that the maximum

direct effect of the cap-and-trade policy on the delivered price of gasoline in 2030 would be roughly 11 cents per gallon (2004 dollars), electricity prices are estimated to be 4 percent higher in 2020 and 11 percent higher in 2030, and projected primary energy use will be 1.7 quadrillion Btu (1 percent) lower in 2020 and 2.4 quadrillion Btu (2 percent) lower in 2030. In addition, total emission reductions in 2030 are estimated to be 654 million metric tons CO₂ equivalent short of the level that would satisfy the GHG intensity reduction goal, and the total reduction in discounted real GDP over the 2009 to 2030 period would be 0.10 percent (\$232 billion).

Jason Grumet focused on the substance and implications of the EIA's findings. In his testimony, he said the EIA found minor economic impacts – U.S. GDP in 2030 would be reduced by only one quarter of 1 percent compared to the baseline case. Grumet believed that the trade-off for the modest costs found by EIA is that the program being analyzed also achieves relatively modest emission reduction benefits. He concluded by stating that the National Commission on Energy Policy found the discussion draft to be a sound framework for legislative action.

Although both Gruenspecht's and Grumet's testimonies found generally positive elements in the EIA analysis and supported the draft legislation as a reasonable starting point for global warming legislation, Dr. Anne Smith's testimony pointed out some of the negative effects of the draft legislation. She emphasized the economic impact, stating that the small loss of gross domestic product is equal to a present value cost of \$800 per person in the U.S. Moreover, the primary reason program costs are lower is because the emissions reductions that the legislation offers are so much smaller. Smith believed the draft legislation would be more efficient than any cap policies without its attributes, but she felt it was not an effective first step towards a national policy to reduce the risks of climate change.

During the Q&A period, Senators asked about the effect of more advanced technology on program costs, how the program will affect U.S. industries, and the ability of U.S. leadership in global climate change to influence foreign countries. In response, Dr. Smith continued to emphasize the positive effects of research and development, and Grumet discussed China's efforts on emissions reductions. The panel believed U.S. leadership was essential to spurring world-wide change. Senators cited California as an example of sound efforts toward emissions reductions. In California, per capita energy consumption has remained constant for thirty years, while other states have seen a 50 percent increase.

For the testimony of all the witnesses go to the Committee's website at: www.energy.senate.gov.

SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES ADDRESSES WILDFIRE SUPPRESSION FUNDING SHORTFALL

On January 30, 2007, the Senate Committee on Energy and Natural Resources held a hearing entitled "Costs of Wildfire Suppression." Representatives from Federal and State level organizations including the Department of Agriculture, Department of Interior, Government Accountability Office, and state forestry services testified. The main topic of discussion during the hearing was the cost, structure, and methods in coping with forest fires. The 2006 fire season was the most expensive (26% above average yearly cost) and most damaging (9.9 million acres) fire season in the last decade. Currently, over half the budget of the Federal Land Management Agency is spent on fire suppression and preparedness and that percentage has been increasing. Chairman Jeff Bingaman (NM) expressed fear that soon there would be no budget left for other activities, as \$900 million would be needed to offset the cost of fire suppression efforts. The witnesses universally agreed on several key problems with the wildfire issue and multiple solutions to each issue.

Some of these issues and recommendations included:

- The United States has been in an extended drought cycle for the last several years which exacerbates the fire situation
- The area known as the Wildland-Urban Interface (WUI) has experienced booming growth and is a prime fire-prone area; 8 million homes have been constructed in the WUI
- Government agencies have failed to solve the challenges associated with developing the WUI or limit

development where challenges have not been addressed

- The vast accumulation of biomass in the forests makes fires more intense, and the Healthy Forests initiative has not successfully cleared out enough biomass accumulation
 - Budgeting is performed by 10 year average, however years like 2006 that are vastly more expensive than the average are expected to become the norm
 - Because of the increased development in fire prone areas, federal funds must protect human life and property; fires burning in less populated areas are generally allowed to burn
 - Biomass burning is responsible for 30% of CO2 released in the atmosphere
 - There is a need to create incentives for the insurance agencies to provide more incentives for home owners to build in other areas outside of the WUI
 - WUI communities need to be more involved and contribute more to fire safety
- For more information, visit: <http://energy.senate.gov> .

SENATE HEARING ADVOCATES INCREASED SUPPORT FOR FEDERAL FOOD ASSISTANCE

On January 31st, 2007 the Senate Agriculture, Nutrition, and Forestry Committee held a hearing to discuss the role of federal food assistance programs in family economic security and health. Committee Chairman Tom Harkin (IA) presided over the hearing, and he and Ranking Member Saxby Chambliss (GA) offered opening comments on the matter. Chambliss stated the committee's mission is to help both families and the farm industry by providing needy Americans access to food essential to a healthy lifestyle and positive child development through food assistance programs. Chambliss was emphatic that there is still room for improvement in helping families escape the cycle of poverty. He felt the most important step would be to reform food stamp asset limits that conflict with ambitions of the lower class to achieve financial independence by joining the workforce and accumulating savings. Chambliss also encouraged additional investment in modern savings programs to help families in their pursuit of higher education and retirement.

The first witness to testify was Mr. Sigurd Nilsen, Director of Education, Workforce, and Income Security Issues at the U.S. Government Accountability Office. He pointed out that recent studies concerning the integrity of the national Food Stamp Program indicated improper payments and the trafficking of benefits as the two most pertinent issues facing the committee. On the positive side, Nilsen described how the national payment error rate has declined since the 1990s. Unfortunately, such program payment errors still cost the United States \$1.7 billion in 2005, mostly due to mistakes by case workers dealing with complex rules and instances of incomplete or incorrect information provided by participants. Still, only 5 percent of errors were due to fraud. Nilsen encouraged other states to follow California's multifaceted approach as a model of expanded state oversight which has been effective in addressing this problem. In fact, he claimed that quality assurance practices in Los Angeles County alone minimized the state error caseload by 40 percent, helping to dramatically reduce payment errors statewide from 17 percent in 2001 to 6.4 percent in 2005.

Nilsen noted similar progress in reducing food stamp trafficking, but cited the need for the Food and Nutrition Service (FNS) to increase investigations that target and disqualify the retailers who traffic in these benefits. He felt more proactive screening and monitoring of stores would secure program integrity while ensuring that food assistance be available to those most in need.

Mr. Bob Greenstein, Executive Director of the Center on Budget and Policy Priorities also offered testimony on the issue. He expressed agreement with the opinion of many experts that the Food Stamp Act of 1977 was the single most important anti-hunger program in the nation, helping to lessen the severity of poverty and effectively bridge periods of temporary unemployment. However, Greenstein did highlight some larger issues of concern, contending that poverty remains high, with 37 million poor living in America in 2005, a 17 percent increase from 2000. He added that wages have remained stagnant, with rising costs for housing, healthcare, and other needs leaving less and less money available for nutritious foods. Greenstein suggested addressing these problems with new investments in three areas. Considering that only 50 percent of eligible working poor take part in food assistance programs, Greenstein encouraged the committee to streamline and simplify program rules to increase participation and lower administration costs. He also spoke of the need for increased benefits, which have remained small and face eroding purchasing power due to inflation, finding the

current assistance rate of 1 dollar per day, per meal, to be insufficient for an adequate diet. Greenstein felt the single most important change would be to address eligibility barriers which exclude hard working families from food assistance programs even though they still face significant food insecurity, such as poor households with modest savings, those without children unable to find work, and illegal immigrants.

For the testimony, visit the Senate Agriculture Committee on the Web, at: <http://agriculture.senate.gov> .

SENATE COMMERCE WORKS TO PROMOTE TRAVEL TO AMERICA

On January 31, 2007, the Senate Committee on Commerce, Science and Transportation held a hearing entitled "Promoting Travel to America: An Examination of Economic and Security Concerns."

Representatives from the tourism industry testified at the hearing, including Jay Rasulo, chairman of Walt Disney Parks and Resorts. The main topic of discussion during the hearing was the visa process and the extreme difficulties and delays caused by recent 9/11 security measures. The National Foreign Trade Council estimated that U.S. businesses lost \$30 billion between 2002 and 2004 because of America's visa system.

There were approximately 21.7 million overseas visitors to the U.S. in 2005, over 20% of those indicated California was their primary destination. Overseas travel to the U.S. has declined 17% since 2001 while travel worldwide is steadily on the rise. A recent survey conducted by the Discover America Partnership showed that international travelers are 74% more likely to have a favorable opinion of the U.S. if they have actually visited here. The witnesses made several recommendations they called a "Blueprint to Discover America" to ease the process of foreign visitors to the United States.

Some of these recommendations included:

- The creation of a new public-private entity to serve as the primary voice for all travel-related policies, inform potential tourists of procedure, promote visiting the U.S., and coordinate national strategies
- Reduce wait times at all consular posts to less than 30 days
- Use technology, such as video conferencing, for visa processing where travel distances to a consulate are excessive
- Strengthen and expand the visa waiver program
- Enhance security and efficiency upon entry into and exit from the U.S.

For more information, please visit: <http://commerce.senate.gov> .

CALIFORNIA SCHOOL BOARDS ASSOCIATION GIVES CAPITOL HILL BRIEFING REGARDING STATE AND FEDERAL POLICY ISSUES

On January 26, 2007, the California School Boards Association (CSBA) held a Congressional staff briefing on the State budget, the No Child Left Behind Act (NCLB), health care proposals, and the Rural Schools and Communities Act. The briefing featured Rick Pratt, CSBA's Assistant Executive Director who oversees Governmental Relations, and Erika Hoffman, senior legislative advocate of governmental relations for CSBA.

The speakers discussed how California School Districts, students, and administrators were affected by changes to the State Budget, NCLB, Health Care and Forestry programs. The speakers presented recommendations and concerns on behalf of California School Boards and The Education Coalition. The Education Coalition consists of the Association of California School Administrators (ACSA), the California Association of School Business Officials (CASBO), the California County Superintendents Educational Services Association (CCSESA), the California Federation of Teachers (CFT-AFL-CIO), the California School Employees Association (CSEA), the California State PTA, the California Teachers Association (CTA), and the Service Employees International Union (SEIU).

Some of these recommendations included:

- The definition of "Highly Qualified Teacher" should be revised to allow flexibility for districts to offer rigorous career and technical education courses
- The Highly Objective Uniform State Standard of Evaluation (HOUSSE) should be maintained
- NCLB should be amended to allow states to incorporate other elements of school success in determining

whether or not sanctions are appropriate, including arts, science, history/social science and physical education

- Adequate Yearly Progress (AYP) participation rates should be amended to reflect California law that respects the rights of parents to withhold their students from state testing and to include in the participation rates those special education students who have taken the state's test with modifications for their special needs

- Students who are identified in more than one subgroup should be represented in the count for each group as an equal fraction that totals to one student when determining AYP; instead of counting one student multiple times for each subgroup

- The AYP measurement systems needs to be expanded to provide states with greater flexibility using alternate methods of measure

- Eliminate open enrollment as an NCLB sanction

- Apply sanctions to schools and districts only when the same subgroup fails to make AYP in the same subject or indicator for two consecutive years or more

- For English Language learners, NCLB should hold districts accountable for growth relevant to that subgroup

- Continue to require that California show tangible improvement, including for subgroups, but allow the state to use its own high standards to gauge school performance

- NCLB should allow for greater flexibility in assessing special education students and determining appropriate expectations

- The Secure Rural Schools Act expired in 2006 but many counties and school districts in California stand to lose significant revenues if the law is not reauthorized.

For more information, please visit: <http://www.csba.org> .

PPIC STATEWIDE SURVEY BRIEFING TO DESCRIBE VOTER ATTITUDES REGARDING NATIONAL AND STATE ISSUES AND LEADERS: THURSDAY, FEBRUARY 8

On Thursday, February 8, 2007, the next in the Public Policy Institute of California's monthly luncheon briefing series will discuss findings from the latest PPIC Statewide Survey.

PPIC's latest survey examines voter perceptions regarding a variety of subjects, including state fiscal priorities, new spending proposals from Governor Arnold Schwarzenegger, the shift in power in Congress, national issues including the Iraq war, and the outlook for progress in state policy and politics. For example, voters are evenly divided between favorable and unfavorable impressions of Congress in general, and, while attitudes are more positive than negative about new policies being proposed, a majority still think the country is headed in the wrong direction.

Mark Baldassare, Director of Research, Survey Director and incoming President & CEO of PPIC, will present new findings from the PPIC Statewide Survey at this luncheon briefing, which will be held on Thursday, February 8, 2007 at noon in Room 2203 of the Rayburn House Office Building. Copies of the survey will be available at the briefing and at <http://www.ppic.org> .

To attend the lunch briefing, call 202-974-6384 or send email to ransdell@calinst.org .

Author of numerous PPIC publications, Mark Baldassare is an expert in public opinion and survey research, as well as elections, demographics and political participation. Before joining PPIC, he was a professor and department chair at U.C. Irvine, and conducted polls for the L.A. Times, Orange County Register, San Francisco Chronicle, and California Business Roundtable. PPIC's Board voted to elevate him to the post of President & CEO as of March 2007.

PPIC is a private, nonprofit organization dedicated to improving public policy through objective, nonpartisan research on the economic, social, and political issues that affect Californians. It was established in 1994 with an endowment from William R. Hewlett.