



THE CALIFORNIA INSTITUTE FOR FEDERAL POLICY RESEARCH
 1608 Rhode Island Avenue, NW, Suite 213, Washington, D.C. 20036
 202-974-6384 fax:202-223-2330 e-mail: ransdell@calinst.org web: <http://www.calinst.org>

California Capitol Hill Bulletin

Volume 14, Bulletin 13 – April 20, 2007

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 WATER PROJECTS BILL

On April 19, 2007, the House passed H.R. 1495, the Water Resources Development Act (WRDA) of 2007, which authorizes over 700 flood-control, shoreline protection, inland navigation and environmental restoration projects. The bill also requires that, with some exceptions, projects of \$50 million or more be submitted for an independent peer review. Congress has not passed a WRDA bill in seven years.

Among many projects authorized in California, the bill includes \$683 million for the Folsom Dam Joint Federal Project, which will expedite upgrades at Folsom Dam, so that by 2015 it will protect the Sacramento region from a flood that has a 1-in-200 chance of occurring in any given year.

The bill's estimated cost of about \$15 billion has raised concerns in the White House, but the President has not threatened a veto. The Senate Environment and Public Works Committee, chaired by Sen. Barbara Boxer, successfully reported its WRDA bill on March 29.

For further information, visit <http://resources.house.gov>.

SENATE HELP COMMITTEE APPROVES FDA BILL; REAUTHORIZES DRUG & MEDICAL DEVICES FEES

The Senate Health, Education, Labor, and Pensions Committee approved S. 1082, The Food and Drug Administration Revitalization Act, by a vote of 15-5 on April 18, 2007. Among other provisions, the legislation renews the FDA's user fee program for drugs (established under the Prescription Drug User Fee Act) and the similar program for medical devices.

Codifying the user fee agreement reached by drug and biotech industries with the FDA, the bill establishes an overall amount for user fees of nearly \$393 million for 2008 (which will be adjusted upward based on the 2007 workload). It also includes the expansion of use of drug user fees by nearly \$30 million for post-approval drug safety programs. Additionally,

CONTENTS:

House Passes Water Projects Bill.....	1
Senate HELP Committee Approves FDA Bill; Reauthorizes Drug & Medical Devices Fees.....	1
House Science and Technology Committee Approves Programs for Math and Science Teachers.....	2
House Judiciary Subcommittee Begins Series of Immigration Hearings.....	2
Senate Committee on Commerce, Science and Transportation Evaluates the Implementations of TWIC.....	3
House Natural Resources Committee Holds Field Hearing on Perchlorate Contamination of Groundwater.....	4
Senate Banking Considers Intellectual Property Theft. .	5
Senate Appropriations Committee Action Extends Milk Subsidy Program.....	6
Institute/BCSE Briefing on State's Climate Change Plan Features CPUC Officials and Utility Company Experts.....	6
PPIC Recommends Reforming California Budget Process to Save Money.....	7
Nearly Half of California Hospitals Unprepared to Meet Deadlines for Earthquake Safety.....	7
LA Council Endorses Becerra's Latino Museum Legislation.....	8
C.A.R. Report Finds Only 25% of Households Can Afford an Entry Level Home in California.....	8
California Institute Breakfast Hosts Rep. Lofgren.....	9
California Institute Hosts Policy Briefing on the Tehachapi Project.....	9
PPIC Evaluates California's Commitment to Adult English Language Learners.....	10
Briefing on Friday, April 27 to Discuss Unexploded Ordnance in California.....	10

ADVISORY BOARD SUPPORTERS
OF THE
CALIFORNIA INSTITUTE

The California Institute wishes to express its heartfelt thanks to the following donors for their generous support, without which none of our work would be possible.

BENEFACTORS

Public Policy Institute of California
California State Legislature
The California State University
Sempra Energy
Southern California Edison
PG&E Corporation

PATRONS

AT&T
The Boeing Company
General Atomics
Safeway Inc.
Verizon Foundation

Hewlett-Packard
University of California

SPONSORS

Applied Materials
California Business Roundtable
California Chamber of Commerce
California Federation of Teachers
California Institute of Technology
Center for California Studies, CSUS
Century Housing
Chevron
Lockheed Martin
Pacific Life
Rockwell Collins
SAIC
Transportation California
University of Southern California
Wine Institute

CONTRIBUTORS

Association of California Water Agencies
California Bankers Association
California School Boards Association
California State Association of Counties
City of Los Angeles
International Brotherhood of Teamsters
Bay Area Economic Forum
California Association of Realtors
California Farm Bureau Federation
California Space Authority
Fleishman-Hillard Government Relations
League of California Cities
Metropolitan Water District of So. Calif.
Trimble Navigation
Wyle Laboratories
Xilinx

California Institute for Federal Policy Research
1608 Rhode Island Ave, NW, Suite 213
Washington, DC 20036 www.calinst.org

the bill includes the FDA-industry proposal to provide for a voluntary user fee program under which drug companies can submit direct-to-consumer television advertisements to the FDA for review.

S. 1082 also establishes a system of active surveillance for drugs already on the market through Risk Evaluation and Mitigation Strategies (REMS). The bill explicitly gives the FDA new authority to measure the risks of drugs on the market and to respond quickly and appropriately to previously unknown risks. Provisions are also included to encourage the testing of medicines for children.

For further information on the legislation, go to <http://help.senate.gov>.

HOUSE SCIENCE AND TECHNOLOGY COMMITTEE APPROVES PROGRAMS FOR MATH AND SCIENCE TEACHERS

On March 29, 2007, the House Science and Technology Committee approved by voice vote a bill that will reauthorize grant programs that encourage more people to become math and science teachers. The bill (H.R. 362) is a response to a report on K-12 math and science education completed by the National Academies in 2005. The vast majority of U.S. students learn math and science from teachers with no background or certification in those fields, according to the report. H.R. 362 authorizes \$70 million in FY 08 for the National Science Foundation to offer scholarships for science, technology, engineering and math students who commit to teaching, and \$32 million for summer teaching-training institutes preparing teachers to instruct Advanced Placement and International Baccalaureate math and science courses. The National Science Foundation is also authorized \$44 million to create centers to improve undergraduate education in science, technology, engineering, and math and an additional \$46 million for a master's degree program for math and science teachers to attend on a part-time basis.

For more information, please visit: <http://science.house.gov>.

HOUSE JUDICIARY SUBCOMMITTEE BEGINS SERIES OF IMMIGRATION HEARINGS

The House Judiciary Subcommittee on Immigration, Citizenship, Refugees, Border Security, and International Law held a hearing on the "Shortfalls of the 1986 Immigration Reform Act" on Thursday, April 19, 2007. In her opening remarks, Subcommittee Chair Zoe Lofgren (San Jose) briefly summarized the Subcommittee's first immigration hearing held at Ellis Island on March 30, 2007, entitled "Past, Present, and Future: A Historic and Personal Reflection on American Immigration." California Reps. Howard Berman (North Hollywood), Dan Lungren (Folsom), and Maxine Waters (Los Angeles), who are subcommittee members, also took part in the hearing.

At Thursday's hearing, Stephen Pitti, Professor of History and American Studies and Director, Program in Ethnicity, Race and Migration, Yale University, discussed some of the unintended consequences of the IRCA law. For instance, the employer sanction provisions ended up promoting fraud in the hiring of undocumented immigrants, and also promoted discrimination in the workforce and the exploitation of illegal workers. Muzaffar Chishti, Director, Migration Policy Institute, New York University School of Law, testified that one of IRCA's shortfalls was that it failed to predict the growth in

future labor needs of the United States and our increasing dependence on an immigrant labor force. He proposed that a new channel for legal workers to come to the U.S. must be created, and that it should allow those workers greater mobility in changing jobs, and in moving between their home countries and the United States.

The Subcommittee also heard from Dr. Stephen Legomsky, John S. Lehmann University Professor, Washington University in St. Louis. His testimony emphasized the need to ensure that there would be legal ways to unite immigrant families and prevent the separation of spouses and of parents and children. He testified that the single largest gap in both the 1986 law and subsequent legislation has been the failure to update the criteria for legal immigration to allow families to be reunited, as well as employers to fill their labor needs.

The final witness was Rosemary Jenks, Director of Government Relations, NumbersUSA. She stated that IRCA was very similar to the recent legislative proposals proffered and that it was a total failure in stemming illegal immigration. She argued that the new proposals, which include what she considers amnesty for undocumented workers currently in the United States, regardless of any penalties imposed on them, would also fail.

The Subcommittee will hold another hearing, on the shortfalls of the 1996 immigration law, on Friday, April 20th. For the testimony of the witnesses, go to <http://judiciary.house.gov>.

SENATE COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION EVALUATES THE IMPLEMENTATIONS OF TWIC

On April 12, 2007, the Senate Committee on Commerce, Science and Transportation held a full committee hearing entitled "Transportation Workers Identification Credentials (TWIC) Implementation." The TWIC program has been under development since 2001 and seeks to create a biometric card and identification system for workers in security sensitive transportation areas (specifically, port workers and truck drivers). Under the SAFE Ports Act, the Department of Homeland Security was required to implement TWIC enrollment at the nation's top ten high risk ports by July 1, 2007. TWIC, however, has not been fully implemented and is suffering from severe cost-overruns, contract mismanagement, and excess personnel turnover despite the \$99.4 million in appropriations for the program.

The Committee heard testimony from the Transportation Security Administration (TSA), the Coast Guard, the Department of Homeland Security (DHS), the Government Accountability Office (GAO), port representatives and small businesses involved in port security issues. The primary theme of the discussion was implementing and testing card reader technology and getting the program on schedule to provide effective security controls without slowing the flow of commerce in and out of US ports.

The following are a few key points from the hearing:

- An estimated 750,000 workers currently have unescorted access to our ports
- U.S. transportation systems and facilities move over 30 million tons of freight and provide approximately 1.1 billion passenger trips each day
- The Ports of Los Angeles and Long Beach estimate that they alone handle about 43% of the nation's oceangoing cargo, and by other estimates the share climbs to 50%
- According to testimony by a Port of Los Angeles official, a 2002 labor dispute led to a 10-day shutdown of West Coast port operations, costing the nation's economy an estimated \$1.5 billion per day. A terrorist attack to a port facility could have a similar or greater impact
- The technical principle underlying TWIC's ability to authenticate a person's identity includes three factors: something they know – a worker's Personal Identification Number (PIN); something they have – the TWIC credential; and something they are – a biometric marker
- TSA is responsible for TWIC enrollment and issuance, including hardware and software applications and the data storage system. This responsibility involves conducting a security threat assessment on TWIC

applicants, which includes a check against terrorist watch lists, an immigration status check, and a fingerprint-based criminal history records check

- The Coast Guard is responsible for implementing TWIC in the maritime environment
- Much of the delay has been blamed on problems with technology development and encryption difficulties - adding encryption generally makes the TWIC system more complex and therefore more difficult to develop, use, manage, and maintain, as well as increase processing time and costs
- The process for obtaining a TWIC card will become a barrier to entry into the maritime industry for new hires, and this will exacerbate an existing shortage of personnel for our vessels

For more information, please visit: www.commerce.senate.gov .

HOUSE NATURAL RESOURCES COMMITTEE HOLDS FIELD HEARING ON PERCHLORATE CONTAMINATION OF GROUNDWATER

On April 10, 2007 the House Natural Resources Subcommittee on Water and Power held an oversight field hearing on “Sustainable Water Supplies for the West: Part 1 – Protecting Groundwater Resources.” The hearing was held at California State Polytechnic University in Pomona and was led by Rep. Grace F. Napolitano (Norwalk), the Subcommittee Chair. Also attending was committee member Rep. Joe Baca (Rialto), who said that “Many families in Southern California, including my family in Rialto, are concerned about the quality and safety of the water we drink...It is important that Congress understands the problem and works on solutions, so I thank Rep. Napolitano for scheduling this field hearing.”

Witnesses reported on the threat to the water supply posed by perchlorate, a toxin that interferes with thyroid function and, in infants and fetuses, interferes with nerve and brain development. Most perchlorate contamination is from rocket propellant and munitions used in the defense and aerospace industries, but a few communities have been contaminated by the use of perchlorate fertilizers in agriculture. Perchlorate contamination is particularly problematic because it absorbs into the soil easily, spreads quickly throughout the groundwater, and does not typically degrade on its own. Recent studies have found dangerous levels of perchlorate in drinking water as well as in fruits, vegetables, and milk from plants and animals raised using contaminated water. Clean-up is difficult because effective techniques for cleaning perchlorate contaminated water were not developed until recently and remain time-consuming and expensive.

Executive director of the Santa Ana Watershed Project Authority Celeste Cantu, General Manager of East Valley Water District Bob Martin, and General Manager of Cucamonga Valley Water District Robert DeLoach all reported on the damage perchlorate contamination has caused to their communities. Ms. Cantu explained that 175 municipal wells in San Bernadino, Riverside, and Orange Counties were contaminated and that the authority had to risk a water shortage in Rialto by shutting down wells until they could be cleaned. Mr. Martin described East Valley’s perchlorate clean-up as “the most costly single action that my agency has even undertaken”, made more difficult by the fact that most East Valley water contamination was from cumulative fertilizer use over the past century and it was therefore impossible to prosecute any individual or individuals for the costs of clean-up. Mr. DeLoach reported that perchlorate had contaminated one third of Chino Basin wells and that maintaining the water supply would require \$300 million to \$1 billion in clean-up costs. He expressed frustration that Cucamonga Valley was forced to bear the cost without federal assistance when defense and aerospace industries that operate under federal contracts were the source of the contamination.

Executive Director of the Center for Community Action and Environmental Justice Penny Newman and General Manager-Secretary of West Valley Water District Anthony Araiza also expressed frustration with the procedures for addressing perchlorate contamination. Ms. Newman criticized the corporations of Goodrich and Black & Decker for harassing and delaying prosecutors rather than paying for the clean-up of the pollution they caused, which currently contaminates the drinking water of over 100,000 people in the Rialto Area. She charged that employees of those companies had engaged in “aggressive yelling, browbeating, and verbal attacks to the point of bringing some people to tears in the hallway.” Mr. Araiza

says that the Regional Board assigned to aid clean-up has failed to develop a comprehensive policy and allows so many opportunities for challenging investigations brought before it that polluters can delay their convictions indefinitely. He recommends that the US EPA take partial or total control of the investigations.

Finally, San Gabriel Basin Water Quality Authority Board Member Michael Whitehead, City of Rialto Councilman Joe Baca, Jr., and Metropolitan Water District Water Treatment Section Manager Brad Coffey described successful past efforts to clean-up perchlorates. Mr. Whitehead explained how the EPA and the state and national legislature helped San Gabriel secure the funding it needed to clean up the San Gabriel water basin. Mr. Baca also expressed admiration for the San Gabriel clean-up and described the clean-up efforts by Senate Select Committee on Perchlorate Contamination Chair Nell Soto, by himself in his former position as chair of the State Assembly Select Committee on Perchlorate Contamination, and by the city of Rialto. Coffey described how his company found perchlorate contamination in the Colorado River Aqueduct in 1997 and ultimately traced it back to Kerr-McGee chemicals company in Henderson, Nevada. By 2002, they had successfully reduced perchlorate to acceptable levels and by 2006 they successfully reduced it to levels so small as to be undetectable. All three witnesses emphasized the expense and difficulty of the clean-up and the need for cooperation between local, state, and federal agencies.

The witness's testimony can be found at <http://resourcescommittees.house.gov> .

SENATE BANKING CONSIDERS INTELLECTUAL PROPERTY THEFT

On 12 February, 2007 the Senate Banking Subcommittee on Security and International Trade and Finance held a hearing on intellectual property theft and S. 522, the Intellectual Property Rights Enforcement Act (IPREA). In their opening remarks, Subcommittee Chair Evan Bayh (IN), Ranking Member Mel Martinez (FL), and Senator Sherrod Brown (OH) reiterated that counterfeiting of goods is a rapidly growing problem that has expanded at eight times the rate of legitimate trade since 1990. An estimated 90% of business software used in China, and 50% of business software used in India, is counterfeit, as are 10% of pharmaceuticals worldwide. Counterfeiting has cost the U.S. economy an estimated \$250 billion a year and about 750,000 jobs. Even more troubling, counterfeiting is a major source of money for terrorist groups like Hezbollah and for the government of North Korea, according to the members. The IPREA, authored by Sen. Bayh, would establish an International Property Enforcement Network that would coordinate the efforts of U.S. agencies involved in prosecuting copyright violators and organize collaborations with other governments.

The first witness, Senator George Voinovich (R-OH), has worked for years to improve government responsiveness to intellectual property theft. He said that the White House's Strategy for Targeting Organized Piracy (STOP) and the recent appointment of Chris Israel as Coordinator for International Intellectual Property Enforcement were steps in the right direction. But, he emphasized the need to enact legislation like IPREA that would formalize government agencies' co-operation and ensure it lasted into the next administration. Dr. Moises Naim, Editor in Chief, Foreign Policy Magazine, explained that counterfeiting is just one aspect of a booming black market that includes the drug trade, arms dealing, and human trafficking. He recommended that the government be aware of its own limitations and choose its goals selectively, cooperate with other governments, address the demand for counterfeit goods as well as the supply, and create market-based incentives for companies to develop technologies that will make their goods more difficult to counterfeit.

Dr. Loren Yager, Director of International Affairs and Trade at the Government Accountability Office, addressed GAO's recent report on "Intellectual Property: National Enforcement Strategy Needs Stronger Leadership and More Accountability" (GAO-07-74). The report focused on the interagency National Intellectual Property Rights Law Enforcement Coordination Council (NIPLECC), established by Congress in 1999, and the 2004 Bush Administration program called STOP. Dr. Yager testified that GAO found that NIPLECC lacked leadership ability and that STOP had limited potential because it lacked baselines or targets and was not permanent. The report recommended that the head of NIPLECC, called the IP Coordinator, in consultation with the National Security Council and relevant agencies (1) clarify in the

STOP strategy how NIPLECC will carry out its oversight and accountability roles and (2) take steps to ensure that STOP fully addresses the characteristics of a national strategy. Dr. Yager affirmed the need for new legislation to address international property theft.

Mr. Brad Huther, Senior Adviser for Intellectual Property Enforcement of the US Chamber of Commerce, commended the legislative efforts to stop intellectual property theft. He testified that the interagency effort has achieved a number of successes, noting that the Department of Justice charged 350 defendants with intellectual property offenses in FY2005, nearly double the number charged in the previous year. Additionally, 2006 saw arrests and indictments resulting from investigations conducted by Immigration and Customs Enforcement increase by 40% over the 2005 level. Finally, Mr. Tim Demarais, Vice President of ABRO Industries, discussed his company's struggle with a Chinese company that had stolen their products, packaging, and identity.

For the testimony of the witnesses, go to <http://banking.senate.gov> .

SENATE APPROPRIATIONS COMMITTEE ACTION EXTENDS MILK SUBSIDY PROGRAM

On March 22, 2007, the Senate Appropriations Committee approved by voice vote a measure that would extend funding for the Milk Income Loss Contract (MILC) program for an extra month, through September 2007. The measure was added to the Senate's draft supplemental spending bill for the Iraq War. The MILC program compensates farmers for losses when the price of milk falls below government-set targets. Originally, the MILC program was set to expire at the end of August as part of the 2006 budget cuts; it will cost \$31 million to extend for one month. The subsidies are intended to help small and midsize dairy operations stay competitive when prices drop, but California dairy producers oppose the program because it gives competitors in other regions of the country an unfair advantage. The MILC program is one of many subsidy programs set for debate during the reauthorization of the 2002 Farm Bill.

For more information about the program's effect on California, see *Bulletin, Vol. 12, No. 35* (12/22/2005) at http://www.calinst.org/bulletins/b1235.htm#TOC1_11 . For more information about Senate Appropriations activities, visit: <http://appropriations.senate.gov/> .

INSTITUTE/BCSE BRIEFING ON STATE'S CLIMATE CHANGE PLAN FEATURES CPUC OFFICIALS AND UTILITY COMPANY EXPERTS

On March 29, 2007, The California Institute and the Business Council for Sustainable Energy held a luncheon briefing to inform Congressional staff and business representatives about California Public Utilities Commission (CPUC) action on clean energy and AB 32. The luncheon focused on the implications of clean energy policy and AB 32 on the power sector and federal policymaking. AB 32, the California Global Warming Solutions Act of 2006, was signed into law by Governor Schwarzenegger in September 2006. The Act establishes a mandatory reporting system to monitor green house gas emissions, requires a limit on emissions by 2020, and authorizes the development of a market-based program for compliance.

The briefing highlighted actions taken by the California State Government, CPUC, and the private sector to meet the AB 32 goals to cut greenhouse gas emissions back to 1990 levels by 2020. The briefing highlighted Michael Peevey and Dian Grueneich from CPUC. Representatives from the power sector included PG&E, Sempra Energy, Sacramento Municipal Utility District, and Southern California Edison. The power sector elaborated on their efforts to reduce greenhouse gas emissions, increase the use of renewable energy sources, and energy conservation.

The event was supported by The California Institute for Federal Policy Research, The Business Council for Sustainable Energy, Econergy International, First Environment Inc., The National Hydropower Association, and The North American Insulation Manufacturers Association.

For more information, visit: <http://www.cpuc.ca.gov>, <http://www.bcse.org> , or <http://www.calinst.org> .

PPIC RECOMMENDS REFORMING CALIFORNIA BUDGET PROCESS TO SAVE MONEY

A study by the Public Policy Institute of California (PPIC) finds that California's budget process is financially inefficient and examines five budgeting alternatives. California currently uses a budget practice called "mid-session revision" (or May revision) in which the budget is updated midway through the legislative process to reflect more recent data. PPIC research fellow Jaime Calleja Alderete found that mid-session revision did not reduce budget expenditures by a statistically significant amount.

Mr. Alderete examined funding targets, legislative access, performance measurement, performance management, and performance budgeting as possible alternative budgeting practices. All five practices are popular budget management options for high-population states, with Florida, Texas, Illinois, and New York each using or allowing the use of four of them. Funding targets require executive branch agencies to adhere to bottom-line budget numbers when developing their budgets. Legislative access requires executive agencies to inform state legislators about their budget requests before officially presenting them for debate and adoption. Performance measurement requires that government agencies track their programs' success using performance measures, such as test scores for education agencies or recidivism rates for corrections departments. Under performance management these performance measures are used to guide internal agencies' decisions and under performance budgeting they become the justification for most funding decisions.

Calleja Alderete found that legislative access had the greatest effect, producing 2.1 percent savings per capita on average with savings as high as 7 percent for social services. However, Calleja Alderete cautions that it would likely face stiff government resistance to its implementation and require arduous political negotiations. Funding targets reduced expenditures by 1.7 percent per capita and by over 10 percent in environment and housing. However, they also apparently raised costs in government administration and social services. They would be comparatively easy to implement, as they might not necessitate substantial changes in current practice and would likely face little or no political resistance. Performance budgeting reduced expenditures by 2 percent per capita and by 8 percent for K-12 education but raised costs for transportation, environment, and housing services. While implementing it would require additional funding, the evidence indicates that these costs are outweighed by the future reductions performance budgeting offers, Calleja Alderete concludes. Neither performance measurement nor performance management had a significant statistical effect on government expenditures.

The full report by Jaime Calleja Alderete "Budget Practices and State Expenditures: Lessons for California", can be found at www.ppic.org.

NEARLY HALF OF CALIFORNIA HOSPITALS UNPREPARED TO MEET DEADLINES FOR EARTHQUAKE SAFETY

Almost half of California's hospitals will not meet seismic safety standards by a 2013 state deadline and many will not even meet the final 2030 deadline, according to a new report by the RAND Corporation for the California HealthCare Foundation. The deadlines were put in place by 1994 state law SB1953, passed in the wake of the devastating Northridge earthquake which caused an estimated \$3 billion in damage to Southern California hospitals and left 12 of them unsafe for occupancy. SB1953 required hospitals subject to collapse during an earthquake to undertake safety retrofitting or reconstruction by 2008 (later extended to 2013) and requires all other hospitals to comply with new safety standards by 2030. It is estimated that by 2030 there is an 80 percent probability of an earthquake of 7.0 or greater magnitude striking Los Angeles and a 62 percent probability of a similar earthquake striking the Bay Area; these two areas contain 80 percent of the hospitals in need of retrofitting.

Measuring hospital compliance is difficult, the report finds, since the State Office of Hospital Planning and Development (OSHPD) has limited data about hospital construction projections and no guarantee that planned projects will be completed. Additionally, OSHPD is in the process of implementing new seismic risk analysis software that may re-classify some hospitals into lower risk categories. Based on current data,

the primary obstacle to making hospitals safety compliant is financial. Hospitals cost \$1,000 per square foot to build and require 35 to 60 percent more square footage per patient than in the past because of patients' increasing preference for privacy and the larger space needed for up-to-date diagnostic imaging, services, surgery, and postpartum and neonatal care. Construction costs have nearly doubled since 2001. Current inpatient care costs hospitals \$1,980 per patient per day and nets only \$40 per square foot per year, making it financially difficult for hospitals to raise the estimated \$1,000 a square foot necessary to pay for safety upgrades. RAND's report outlines three potential options for policymakers in implementing SB1953:

- Follow SB1953's current implementation plan. However, this would mean closing large numbers of noncompliant hospitals.
 - Modify or eliminate SB1953's requirements so most facilities can comply. This would not improve earthquake safety, of course, and would be unfair to those hospitals that had already spent money on SB1953 compliance.
 - Provide public financing for hospitals unable to comply with SB1953 on their own.
- For more information, please go to <http://www.rand.org> or <http://www.chcf.org> .

LA COUNCIL ENDORSES BECERRA'S LATINO MUSEUM LEGISLATION

On April 3, 2007 the Los Angeles City Council unanimously approved a resolution formally endorsing H.R. 512 and S.500, legislation by Rep. Xavier Becerra (Los Angeles) and Sen. Ken Salazar (CO) to establish a committee to study the potential creation of a national museum focused on Latino art, history and culture. The resolution, authored by Council President Eric Garcetti and introduced by the Latino Caucus of the City Council, states that the "City of Los Angeles hereby includes in its 2007-2008 Legislative Program support for H.R. 512 (Becerra) and S. 500 (Salazar)."

Rep. Becerra said he was "thrilled" by his hometown's support and praised the Los Angeles City Council for its "tremendous leadership" and for being "at the forefront of our nation's efforts to become a more inclusive and perfect union." He added that "the time has come to include the contributions of the American Latino community in our nation's narrative."

H.R. 512, the Commission to Study the Potential Creation of the National Museum of the American Latino Act, was co-authored with Rep. Illeana Ros-Lehtinen (FL) and was approved by unanimous voice vote in the House of Representatives on February 6, 2007. S. 500, was introduced in the Senate by Senator Salazar on the same day and given a hearing before the Senate Committee on Energy and Natural Resources on March 20. A formal markup of the legislation is expected soon.

If enacted, the legislation will set up a 23 member committee chosen for their expertise in issues related to museum management and their commitment to Latino arts, culture, and history. Within 18 months of their formation, the committee will arrange a national conference of stake-holders, experts, policymakers, and other interested parties to discuss the museum's viability. Within 24 months, the committee will present Congress and the president a fund-raising plan; a report on the possible locations, organizational structures, and collections for the museum; recommendations for involving the Latino community in the museum's development; and a recommended plan of legislative action.

For more information, visit Rep. Becerra's web site at <http://becerra.house.gov> .

C.A.R. REPORT FINDS ONLY 25% OF HOUSEHOLDS CAN AFFORD AN ENTRY LEVEL HOME IN CALIFORNIA

The percentage of households who could afford to buy an entry level home in California dropped to 25 percent for the fourth business quarter of 2006, down from 27 percent for the same period in 2005, according to a report released on March 1, 2007 by the California Association of Realtors.

C.A.R.'s *First-time Buyer Housing Affordability Index* (FTB-HAI) compiles first time buyer indexes and calculates the percentage of households that can buy houses in California and its subregions. The FTB-HAI for the fourth quarter of 2006 found that the median price for a home bought by a first-time buyer was

\$477,400 and that, assuming a 6.36 percent interest rate and a 10 percent down payment, a buyer would need an income of \$96,760 to purchase it. The FTB-HAI also found that the typical first time buyer purchased a home equal to 85 percent of the median price and had a \$3,320 monthly payment including taxes and insurance.

The least affordable regions in California were Santa Barbara and Los Angeles with 19 percent affordability and with median housing prices of \$552,120 and \$498,510, monthly payments of \$3,730 and \$3,370, and minimum qualifying incomes of \$111,900 and \$101,040, respectively. The most affordable regions in California were the High Desert and Sacramento regions with 41 percent affordability and with median housing prices of \$279,480 and \$310,340, monthly payments of \$1,890 and \$2,100, and minimum qualifying incomes of \$56,650 and \$63,900, respectively. Both regions were still more expensive than the US average of 61 percent affordability, \$186,410 median price, \$1,260 monthly payment, and \$37,780 minimum qualifying income.

To read the entire article, please go to <http://www.car.org>.

CALIFORNIA INSTITUTE BREAKFAST HOSTS REP. LOFGREN

On April 17, 2007, the California Institute held the second in its 2007 series of Advisory Board Member breakfasts, supported by Pacific Gas & Electric Company, with special guest speaker Rep. Zoe Lofgren. These bipartisan delegation breakfasts are a forum for the California Institute Advisory Board to hear the views of, and communicate directly with, members of the California delegation.

The Congresswoman was elected in 1994 and represents California's 16th Congressional District which includes most of San Jose, the center of Silicon Valley and Santa Clara County. Rep. Lofgren serves on the Homeland Security Committee, Judiciary Committee, and House Administration Committee. She chairs the Immigration, Citizenship, Refugees, Border Security, and International Law Subcommittee of the Judiciary Committee. Prior to her election to Congress, Congresswoman Lofgren practiced and taught immigration law and served 13 years on the Santa Clara County Board of Supervisors.

Lofgren commented briefly on immigration reform and the series of hearings that her subcommittee has just begun on the issue, as well as on patent reform and increased cooperation on federal issues with the Governor's office. She also took questions and comments on subjects ranging from research funding for California universities, Title I education funding, H-1B visa issues, renewable energy and global warming.

For more information about Congresswoman Lofgren, please visit: <http://www.house.gov/lofgren/>

For more information about the California Institute, please visit: www.calinst.org.

CALIFORNIA INSTITUTE HOSTS POLICY BRIEFING ON THE TEHACHAPI PROJECT

On April 16, 2007, the California Institute hosted a Congressional briefing on the Tehachapi Renewable Transmission Project (TRTP), which would interconnect renewable wind energy to the existing electric system. The briefing featured Dian Grueneich, Commissioner of the California Public Utility Commission, Yakout Mansour, president of California Independent System Operator, Al Fohrer, Chief Executive Officer of Southern California Edison (SCE), and Ron Litzinger, Southern California Edison Vice President of Generation and Transmission. The speakers discussed different aspects of the Project, which will require SCE to obtain approval for upgrading its transmission lines and substations south of the Tehachapi Wind Resource Area in order to connect to the wind power and deliver it into the state's energy grid. The \$1.8 billion investment potentially will create 6000 MW of wind power.

California has the most aggressive and ambitious program for renewable energy resources - aimed at having 20% of the energy used by Californians (13000MW) be renewable energy by 2010. Wind power is the largest part of the 20% renewable energy goal, but transmission is the key difficulty in providing renewable energy. The project calls for Southern California Edison to construct 250 miles of new transmission line. The California Public Utility Commission supports the project and has streamlined the transmission permitting process

For more information, please visit: www.cpuc.ca.gov .

PPIC EVALUATES CALIFORNIA'S COMMITMENT TO ADULT ENGLISH LANGUAGE LEARNERS

The Public Policy Institute of California (PPIC) released a new report on the funding formulas for English as a Second Language (ESL) education programs in California. The report entitled "California's Commitment to Adult English Learners: Caught between Funding and Need" was written by Arturo Gonzalez and argues that the state's system funding ELS should be revamped to address changing and growing demand. ESL resources are distributed based on an outdated formula that does not match the exploding demand of a growing population.

A few key findings of the report include:

- California's main program for providing instruction in ESL is tied to a 1970s level of funding that cannot match exploding demand
 - The population targeted for ESL (over 18 years old and not proficient in English) has soared from 900,000 in 1980 to nearly 3 million in 2000
 - The difference between what the state provided and the actual enrollment costs during the 2004-2005 school year amounted to about \$15.7 million
 - Local school districts, which teach approximately 75% of all ESL students statewide, depend on funding from Sacramento
 - The 1979 funding formulas required that adult education funding growth did not exceed 2.5% per year, regardless of actual enrollment; however, the annual growth rate of California residents needing ESL is 6%
- For more information, please visit: <http://www.ppic.org> .

BRIEFING ON FRIDAY, APRIL 27 TO DISCUSS UNEXPLODED ORDNANCE IN CALIFORNIA

Sites contaminated with unexploded ordnance (UXO) are located across the United States, but California has more UXO sites than any other state. A briefing on Friday, April 27, 2007, will examine the current status of the problem in California, what is being done in response, and what is still left to do.

The Department of Defense term for these locations is Military Munitions Response Program (MMRP) sites. There are 394 such sites in California, as reported in the 2005 Defense Environmental Programs Annual Report to Congress. Overall, DOD reports there are 2,554 UXO sites across the United States, with an estimated cleanup cost of \$20 billion. At current funding levels, merely assessing all of the identified sites could take up to 75 years, while full site remediation could take 200-300 years.

UXO has caused serious injuries and fatalities to people over the years. In September 2006, two children were killed and several injured in Bakersfield when UXO they were handling exploded. Additionally, the existence of UXO restricts the reuse of Base Realignment and Closure (BRAC) properties and Formerly Used Defense Sites (FUDS) for commercial, recreational, and residential purposes. UXO also has the potential of hindering the military services' ability to use operational ranges and training areas. The presence of UXO is a continuing safety and environmental concern for those living and working adjacent to these sites. These munitions could also be scavenged and used by terrorists and others who would do harm.

The National Association of Ordnance and Explosive Waste Contractors (NAOC), which works to raise awareness of the UXO issue and the MMRP, will hold an information session on Friday, April 27, to discuss what is being done to locate and remediate UXO in California. It will be held from 8:00 am to 9:00 am in Room 121 of the Cannon House Office Building in Washington DC. Briefing speakers will include John Allan and Heather Polinsky of NAOC and Dr. Anne Andrews of the SERDP/ESTCP Program Office.

Coffee and pastry will be served. While not necessary in order to attend, the conveners ask that interested attendees reply in order to ensure appropriate supplies of materials and refreshments to cmonfort@monfortlewis.com or plewis@monfortlewis.com . Questions may be directed to Charles Monfort (202-302-0465) or Patty Lewis (202-415-6960).