



THE CALIFORNIA INSTITUTE FOR FEDERAL POLICY RESEARCH

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California Capitol Hill Bulletin

Volume 16, Bulletin 22 – July 23, 2009

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.

IMMIGRATION: SENATE JUDICIARY EXAMINES E-VERIFY

On July 21, 2009, the Senate Judiciary Subcommittee on Immigration, Border Security and Citizenship held a hearing entitled "Ensuring a Legal Workforce: What Changes Should be Made to Our Current Employment Verification System?" Witnesses were: The Honorable Luis Gutierrez, U.S. House of Representatives [IL-4]; Michael Aytes, Acting Director, U.S. Citizenship and Immigration Services; James Ziglar, Senior Fellow, Migration Policy Institute; and Lynden Melmed, Former Chief Counsel for USCIS, Berry Appleman & Leiden, LLP.

Director Aytes detailed the status of the E-Verify program, testifying that not only has its use grown, but the system has been improved over the last two years. The most recent independent analysis of E-Verify, using statistics from October through December 2008, found that approximately 96.9 percent of the cases queried through E-Verify were automatically verified as work authorized, with 3.1 percent of queries resulting in a mismatch. In addition, Aytes said, E-Verify, in a recent survey, scored 83 out of a possible 100 on the Customer Satisfaction Index. In that survey 51 percent of the respondents self-identified themselves as small business owners or employers.

Use of the program has also grown, Aytes testified. As of July 18, over 137,000 employers are enrolled, representing over 517,000 locations. An average of 1,000 employers enroll each week and participation has more than doubled each fiscal year since 2007. Employers have run over 6.4 million queries thus far in FY 2009. The volume of queries doubled from FY 2007 to FY 2008 from 3.27 million to 6.6 million, and in the first quarter of this fiscal year, based on an analysis of Bureau of Labor Statistics data, up to 14 percent of all nonagricultural new hires in the U.S. were run through E-Verify.

Aytes also said that USCIS is continuing to improve the system's automatic confirmation rate by incorporating additional data sources into E-Verify. Additionally, other efforts include assisting employers in using the program correctly, continuing to conduct outreach focusing on employee as well as employer stakeholder groups, and expanding relationships with all stakeholders in an effort to further improve the program. Director Aytes also testified that the program will continue to add new data sources to the automated initial check to reduce the number of mismatches issued by the system, and in fiscal year 2010, USCIS plans to improve the system's ability to automatically verify international students and exchange

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visitors through the incorporation of ICE's Student and Exchange Visitors Information System (SEVIS) data. In conclusion, he said, the Administration will continue to make improvements to address issues such as usability, fraud, discrimination, and to further improve the system's automatic verification rate.

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

IMMIGRATION: HOUSE OVERSIGHT ASSESSES E-VERIFY SYSTEM

On Wednesday, July 23, 2009, the House Oversight and Government Reform Subcommittee on Government Management, Organization and Procurement held a hearing titled: "E-Verify: Challenges and Opportunities." Witnesses included: David A. Rust, Deputy Commissioner for Retirement and Disability Policy, Social Security Administration; Angelo I. Amador, Executive Director of Immigration Policy, U.S. Chamber of Commerce; Gerri Ratliff, Deputy Associate Director Of the National Security and Records Verification Directorate, U.S. Citizenship and Immigration Services; and Jena Baker McNeill, J.D., Policy Analyst for Homeland Security in the Kathryn and Shelby Cullom Davis Institute for International Studies and the Douglas and Sarah Allison Center for Foreign Policy Studies, The Heritage Foundation.

Ms. Ratliff detailed E-Verify's growing use, as well as its increased accuracy and efficiency. She also noted the numerous improvements to the program that are continuing to be made to address issues such as usability, fraud, discrimination, and to further improve the system's automatic verification rate.

Mr. Amador testified that the Chamber would support a mandated E-Verify System under certain circumstances. Specifically, he stressed that it would have to take into account the differences in resources and concerns between firms with significant numbers of employees and those firms with few employees. It also supports the reauthorization of the E-Verify program for a longer period of time than Congress has considered. He also testified that the Chamber supports providing more money to be allocated to address the error rates and deficiencies found in E-Verify, and for more independent research to look at ways to improve E-Verify as well as the financial impact of the program on small businesses. He laid out a number of guidelines and safeguards that should be contained in any new E-Verify program, including: 1) a fair and reasonable roll out; 2) preservation of the contractor-subcontractor relationship; 3) requiring verification only of new hires; 4) full and fair enforcement with protections for employers acting in good faith; and 6) the enforcement power should be only the Department of Homeland Security.

For the testimony of all the witnesses, go to:
<http://governmentmanagement.oversight.house.gov> .

EDUCATION: STUDENT AID AND FISCAL RESPONSIBILITY ACT APPROVED BY HOUSE ED AND LABOR COMMITTEE

The House Education and Labor Committee, chaired by Rep. George Miller (Martinez), marked up HR 3221, a bill to amend the Higher Education Act of 1965.

The amendments approved by the committee included:
- an amendment that would prioritize students who are low-income,

first-generation students, students with dependents, and those with delayed enrollment for work for

recipients of competitive educational grants (Rep. Lynn Woolsey - Petaluma);

- an amendment that would extend special funding for historically black colleges under the Higher Education Act;
- an amendment to forgive any loans military members incur while on active duty (Rep. Susan Davis - San Diego);
- an amendment that would give grants to universities and colleges for veteran resource officer positions;
- an amendment that would give service members more choice of universities and colleges (Rep. Buck McKeon - Santa Clarita); and
- an amendment that would give colleges an extra year to come into compliance with the "90/10" rule.

As passed by the Committee by a vote of 30 to 17, HR 3221 would:

- invest \$40 billion to increase the maximum annual Pell Grant scholarship to \$5,550 in 2010 and to \$6,900 by 2019. Starting in 2011, the scholarship will be linked to match rising costs-of-living by indexing it to the Consumer Price Index plus 1 percent;
- invests \$3 billion to increase college access and completion support programs for students;
- increases funding for the College Access Challenge Grant program;
- funds innovative programs at states and institutions that focus on increasing financial literacy and helping retain and graduate students;
- expands the Perkins Loan program;
- keeps interest rates low on need-based - or subsidized - federal student loans by making the interest rates on these loans variable beginning in 2012; these interest rates are currently set to jump from 3.4 percent to 6.8 percent in 2012;
- simplifies the FAFSA form;
- invests \$1.2 billion in Historically Black Colleges and Universities and Minority-Serving Institutions to provide students with support to stay in school and graduate;
- converts all new federal student lending to the Direct Loan program; beginning July 1, 2010, all new federal student loans will be originated through the Direct Loan program, instead of through lenders subsidized by taxpayers in the federally-guaranteed student loan program;
- creates a new competitive grant program for community colleges to improve instruction, work with local employers, improve their student support services, and implement other innovative reforms that will lead to a college degree, certificate or industry recognized credential to help fulfill local workforce needs;
- authorizes DOE to make competitive grants available to eligible colleges, workforce programs or other entities to help support the development of these courses;
- creates an Early Learning Challenge Fund program, which would award competitive grants to states that implement comprehensive standards-based reform of the state's early learning system that will transform early education standards and practices, build an effective early childhood workforce, and improve the school readiness outcomes of young children.

More information can be found at: <http://edworkforce.house.gov/> .

ENERGY: STATE AND LOCAL VIEWS GIVEN ON CLEAN ENERGY, JOBS AND ECONOMIC GROWTH FULL AND SUB COMMITTEE JOINT HEARING

On July 21, 2009, the Senate Environment and Public Works Committee (Chairman Barbara Boxer) and the Subcommittee on Green Jobs and the New Economy held a joint hearing titled "Clean Energy Jobs, Climate-Related Policies and Economic Growth: State and Local Views."

The focus of the hearing was clean energy jobs, economic growth, and global warming policies from a state and local perspective. Chairman Boxer advocated for investment in clean energy, stating that "providing incentives for clean energy is a win-win solution for our country -- it helps to address the threat of global warming and it builds the foundation for long term recovery and prosperity. Right now, our states,

cities and counties are leading the way in adopting smart policies to drive the transition to a clean energy economy."

Witnesses, who included Bill Ritter, the Governor of Colorado, Chris Gregoire, Governor of Washington, John Hoeven, Governor of North Dakota, and Jon Corzine, Governor of New Jersey discussed the role of the Recovery Act in promoting investments in clean energy technologies, the importance of investing in green education, state-specific efforts to promote clean energy, and opportunities for further federal action.

More information can be found at: <http://epw.senate.gov/> .

RESOURCES: HOUSE WATER AND POWER SUBCOMMITTEE CONSIDERS CALIFORNIA WATER LEGISLATION

The House Natural Resources Water and Power Subcommittee, chaired by Rep. Grace Napolitano (Norwalk), held a hearing on pending legislation on July 21, 2009.

The committee discussed several bills including the following related to California: HR 1738 (Rep. Lucille Roybal-Allard (Los Angeles)), HR 2442 (Rep. George Miller (Martinez)) and HR 2522 (Rep. Elton Gallegly (Simi Valley)).

HR 1738 would amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the secretary of the Interior to participate in the city of Downey, CA, regional wastewater treatment and reclamation facility projects. According to Downey, CA Deputy City Manager Desi Alvarez, the Downey Regional Water Reclamation and Groundwater Augmentation Project would provide advanced treatment of recycled water for injection and storage in the Central Groundwater Basin. Product water capacity of the advanced recycled water treatment plant would produce five million gallons per day of net new potable water which would be injected into the groundwater basin for extraction by participating cities via regular groundwater pumping wells.

HR 2442 would amend the Reclamation Wastewater and Groundwater Study and Facilities Act to expand the Bay Area Regional Water Recycling Program. The bill would make six additional recycled water projects eligible for a 25% federal cost-sharing investment, and would enable more cities across the Bay Area to connect with the recycled water network by installing new pump stations, piping and storage tanks. Gary Darling, General manager, Delta Diablo Sanitation District, Antioch, CA, testified that the bill would directly result in reduced demand from six Bay Area communities on scarce fresh water from the Bay-Delta, and would generate over 8,000 acre-feet per year of new sustainable water supply, or over 2.6 billion gallons per year or 7.2 million gallons per day.

According to supporting witness Susan Mulligan, Manager of Engineering, Calleguas Municipal Water District, Thousand Oaks, CA, HR 2522 would improve water supply reliability and reduce dependence on imported water supplies by making it possible to put local brackish water supplies to beneficial use. Mulligan indicated that the only way to remove salinity from water is through a membrane treatment process, such as reverse osmosis, which produces a highly saline waste concentrate which must then be managed and disposed. If the concentrate were to be discharged to wastewater or creeks, it would perpetuate the cycle of salt build up. The Project is a regional pipeline that will collect salty water generated by groundwater desalting facilities and excess recycled water and convey that water for reuse elsewhere. The Project, which is being built incrementally in phases will reach the \$20 million cap in federal authorization during Phase 1. HR 2522 would raise the ceiling on the federal share of the cost of the Calleguas Municipal Water District Recycling Project.

Commissioner Mike Connor of the Department of Interior's Bureau of Reclamation testified for the Administration. The Administration does not support H.R. 2442 because there are 53 already authorized Title XVI projects and "numerous competing mission priorities and demands on Reclamation's budget." The Administration does not support H.R. 2522 to increase the ceiling on the federal share of the costs of the Calleguas project to \$60 million, rather than the customary 25 percent or \$20 million maximum, because of the strain on Federal budgetary resources.

More information can be found at: <http://resourcescommittee.house.gov> .

DEFENSE: SENATE STRIKES ADDITIONAL FUNDING FOR F-22 PRODUCTION

On July 21, 2009, the Senate by a vote of 58-40 struck \$1.75 billion from the FY 2010 Defense Authorization Act (S 1390) to buy seven more F-22s. It was a win for President Obama, who had requested no additional funding for the plane in the FY2010 Defense budget and has threatened to veto the authorization or appropriations bills if either includes funding for more planes. Obama wants production to stop after 187 planes have been delivered.

Proponents of the F-22, however, have indicated that they will continue to fight for more planes. The House-passed Defense authorization bill, HR 2647, authorizes \$369 million to procure parts for a dozen additional planes that would have to be funded fully after fiscal 2010. Moreover, the House Defense Appropriations bill includes the \$369 million authorized by the House Armed Services Committee. If the money remains in through House floor consideration, the House-Senate Conference on the Defense Appropriations bill will present another chance to keep the program alive. The Senate has not yet dealt with its FY2010 Defense Appropriations.

The Senate is expected to complete action on the Defense authorization bill by the end of this week.

For further information on the Defense authorization bill or the Defense appropriations bill, go to: <http://armed-services.senate.gov> or <http://appropriations.house.gov> .

ENERGY: SUBCOMMITTEE EXPLORES SMART GRID ELECTRICITY TECHNOLOGY

On July 23, 2009, the Energy and Environment Subcommittee of the House Science and Technology Committee held a hearing on smart grid -- a digital technology that would be used with electric power transmission lines to deliver electricity more efficiently.

Witnesses included: George W. Arnold, the National Coordinator of Smart Grid Interoperability at the National Institute of Standards and Technology; Patricia Hoffman, Acting Assistant Secretary of Energy for Electricity Delivery and Energy Reliability; Suedeen G. Kelly, Commissioner of the Federal Energy Regulatory Commission; Paul De Martini, Vice President of Advanced Technology at Southern California Edison; and Michael A Stoessl, Group President of Division Headquarters at Cooper Power Systems. They explored the roles of both the federal government and industry in transitioning the U.S. power generation and distribution infrastructure into a smart grid.

A smart grid is a two-way communication system that will allow utilities and consumers to access more information regarding electricity supply, consumption, and price. Proponents suggest that this will ultimately result in modified patterns of electricity usage. Witnesses described the Administration's vision for development of a smart grid and offered testimony on the current research, development and demonstration activities, the challenges associated with a successful transition to a smart grid and how DOE, FERC and other stakeholders are working to address these issues.

More information can be found at: <http://science.house.gov>

TRANSPORTATION: WAYS AND MEANS SUBCOMMITTEE CONSIDERS HIGHWAY TRUST FUND FINANCING

The House Ways and Means Select Revenue Measures Subcommittee held a hearing on July 23, 2009 on possible long-term measures to finance the Highway Trust Fund, including specific Member proposals that have been introduced in the 111th Congress. The hearing took place on July 23, 2009. Twenty witnesses presented testimony to the Committee, including California Representative Ken Calvert (Corona). The hearing provided Members with the opportunity to speak on behalf of specific proposals they have introduced that would affect the long-term funding for the Highway Trust Fund. Following the Members' testimony, invited witnesses commented on those and other proposals.

According to hearing documents, the current authorization of surface transportation programs expires on September 30, 2009. Federal highway and transit expenditures are derived from the Highway Trust Fund. The Highway Trust Fund was established in the Highway Revenue Act of 1956 to meet certain financial obligations incurred for the construction of the interstate highway system and other federally financed highways. The Trust Fund was designed to be a self-financing mechanism using new and existing highway

user taxes. Recently, the balance of the Highway Trust Fund has fallen dramatically. Last year, \$8 billion was transferred from the general fund of the U.S. Treasury to the Highway Account. In order to guarantee long-term stability for surface transportation programs, any long-term reauthorization must also include a stable source of revenue to support program funding.

Congressman Calvert gave testimony in support of his proposed legislation, the ON TIME Act, HR 947. H.R. 947 would direct the U.S. Department of Transportation to designate key trade transportation corridors, or National Trade Gateway Corridors, extending out from every official air, land and sea port of entry in the United States. Project eligibility under the Act would be limited to transportation projects located within a designated National Trade Gateway Corridor. The legislation, Rep. Calvert said, would limit funding to surface transportation projects, such as highway improvements, truck climbing lanes, truck bypasses, grade separations, and interchanges on key freight routes. Publicly-owned intermodal freight transfer facilities and improvements to the transportation linkages out of port facilities would also qualify as eligible projects within the boundaries of a port terminal. The bill would grant the states the project authority, not the U.S. DOT, and would derive its funding stream through a capped and nominal ad valorem fee on all goods entering and exiting through official ports of entry. The ad valorem fee would be equal to .075 percent of the stated value of the shipment, with a cap or maximum fee of \$500. The money generated by the establishment of the fee would be deposited into the "National Trade Gateway Corridor Fund," which the ON TIME Act would establish as a separate "trust fund" account within the U.S. Treasury.

More information and testimony from each member and the other witnesses can be found at:
<http://waysandmeans.house.gov/>

IMMIGRATION: FEWER MEXICAN IMMIGRANTS COMING TO U.S., BUT NO EVIDENCE THAT MORE ARE HEADING HOME

According to a new analysis released by the Pew Hispanic Center, the flow of immigrants from Mexico to the United States has declined sharply since mid-decade, but there is no evidence of an increase during this period in the number of Mexican-born migrants returning home from the U.S.

Using data from both the U.S. and Mexico, Pew determined that the Mexican-born population in the U.S., which had been growing earlier in the decade, was 11.5 million in early 2009; that figure is not significantly different from the 11.6 million Mexican immigrants in 2008 or the 11.2 million in 2007. The findings indicate that Mexico is by far the leading country of origin for U.S. immigrants, accounting for a third (32%) of all foreign-born residents and two-thirds (66%) of Hispanic immigrants. About one-in-ten people born in Mexico currently lives in the U.S. Immigration flows dropped by 2002 before beginning to grow again in 2004. But the slowdown in immigration after 2006 was such that by 2008, flows were down at least 40% from mid-decade. The change was driven largely by unauthorized immigrants; flows of legal permanent residents have been steady this decade.

According to the Center, the recent downturn in immigration from Mexico has been steep; the data appears to point to a stable outflow to Mexico. It remains to be seen, the report concludes, however, whether either trend points to a fundamental change in U.S.-Mexico immigration patterns or is a short-term response to heightened border enforcement, the weakened U.S. economy or other forces.

For more information, visit: <http://pewhispanic.org/> .