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California Capitol Hill Bulletin

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To expand communications between Washington and California, the California Institute provides periodic faxed bulletins regarding current activity on Capitol Hill which directly impacts our state. Bulletins are published weekly during sessions of Congress, and occasionally during other periods.

ELECTION RESULTS IN FEW CHANGES TO CALIFORNIA’S POSITION IN WASHINGTON

From a Washington perspective, little changed for California following the 2004 general election. In the presidential race, challenger John Kerry outpolled President George Bush by 10 percentage points in California despite losing the national contest. Senator Barbara Boxer was reelected by a 20-point margin. The state’s delegation to the U.S. House of Representatives will remain comprised of 33 Democrats and 20 Republicans. In addition, the party mixture in both houses of the California State Legislature remain identical to the status quo -- the State Senate holds steady at 25 Democrats and 15 Republicans, and next year’s Assembly will still include 48 Democrats and 32 Republicans.

In the contests for California’s House 53 seats, all 51 of the serving Members of Congress who chose to seek reelection won their races by substantial margins. The state’s House delegation will continue to include 33 Democrats and 20 Republicans, with party membership also unchanged in California’s two open House seats -- former Congressman and Attorney General Dan Lungren won the race to succeed retiring Rep. Doug Ose by a 27-point margin, and former State Senator Jim Costa won the race to succeed outgoing Rep. Cal Dooley by 7.4 percentage points.

For a brief list of results from California House seat races, as well as from contests for President, U.S. Senate, and the statewide ballot initiatives, see <http://www.calinst.org/pubs/vote2004.pdf> .

For additional detail, a listing of election results from all California races -- including 100 state legislative seats -- is available from the California Secretary of State’s at <http://vote2004.ss.ca.gov/> .

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LUNGREN AND COSTA ELECTED TO CALIFORNIA’S OPEN HOUSE SEATS

In Tuesday’s Congressional elections, Sen. Barbara Boxer won 58 percent of the vote, defeating challenger Bill Jones and winning a third term in the Senate. In the House races, 51 California incumbents were re-elected, and the two open seats were won by Dan Lungren and Jim Costa.

Below are brief biographies of the two new members of the California Congressional Delegation.

Dan Lungren (3rd District) - Rep.-elect Lungren took 61.8 percent of the vote in his bid to represent California’s 3rd District, succeeding retiring Rep. Doug Ose. The District includes western portions of Sacramento, as well as Calaveras, Amador, and Alpine Counties in the Central Valley.

Rep.-elect Lungren, a Republican, served in the U.S. House of Representatives from 1979-1989, representing Long Beach. After seeking the office of California State Treasurer, he was elected the state's Attorney General in 1990, and served until 1999. In 1998, he won the Republican gubernatorial nomination, after which he was defeated by former Governor Gray Davis in the general election.

The 58-year old Lungren is an attorney. He earned a B.A. from the University of Notre Dame in 1968, and a J.D. from Georgetown University in 1971.

While in the House, Lungren was 4th ranking Republican on the Judiciary Committee, and may try to return to that Committee in the 109th Congress. As a returning House Member, Lungren will have seniority over other incoming freshmen. During his past tenure in Congress, Lungren focused considerable attention on immigration and other justice issues.

For additional information, visit <http://www.danlungren2004.com/bio.asp> .

Jim Costa (20th District) - Rep.-elect Costa will represent California's 20th District, which includes Fresno and portions of the Central Valley. The 52-year old Democrat won 53.7 percent of the vote to take over the seat of retiring Rep. Cal Dooley.

Rep.-elect Costa represented part of the Central Valley in the California Assembly, from 1978-1994, and as a State Senator from 1994-2002. Since being termed out of the State Senate in 2002, Costa has been a lobbyist in Sacramento. He received a Bachelor's Degree from California State University, Fresno, in 1974.

During his tenure in the state Legislature, Costa focused on water and agriculture issues. He may seek seats on the Agriculture and Transportation and Infrastructure Committees.

For additional information, visit <http://costaforcongress.com/sbcc/personalinfo.php?page=biography>

FINAL VOTES ON CALIFORNIA STATEWIDE PROPOSITIONS

In addition to casting their ballots for President and various legislators on November 2nd, Californians also voted on 16 statewide propositions. Below is a quick summary of each proposition and the results of the vote.

Propositions 1A - Protection of Local Revenue

	Votes	Pct.
Yes	7,589,893	83.6%
No	1,498,545	16.4%

Passage of Proposition 1a protects local funding for public safety, health, libraries, parks and other locally delivered services by prohibiting the State from reducing local government property and sales taxes. The provision can only be suspended if the Governor declares a fiscal necessity and two-thirds of the legislature approve the suspension: in such a case, the suspended funds must be repaid within three years. The measure would significantly increase local revenue, perhaps in the billions of dollars annually over time, while decreasing the resources to the state by a similar amount.

Proposition 59 - Public Records

Yes	7,514,346	83.1%
No	1,528,489	16.9%

Passage of Proposition 59 requires that, if a person asks for a piece of information from the state records and the state government does not want to release it, the government must demonstrate why that information should remain private. Previously, the burden of proof was on the public to demonstrate why the piece of information should not remain private.

Proposition 60 - Election Rights of Political Parties

Yes 5,825,622 67.3%
No 2,838,225 32.7%

Passage of Proposition 60 affirms the current primary election system, and amends the state constitution to guarantee that the top vote-getter in each party running in the primary for a partisan office would advance to the general election. Proposition 60 and 62 represent opposing propositions.

Proposition 60A - Surplus Property

Yes 6,243,436 72.8%
No 2,332,735 27.2%

Passage of Proposition 60A designates that proceeds from the sale of surplus state property purchased with General Fund monies be used to pay off the interest on the Economic Recovery Bonds approved in March 2004. Over the life of the bonds, the resulting savings from the accelerated repayment of existing bonds might total tens of millions of dollars.

Proposition 61 - Children's Hospital Projects

Yes 5,334,748 58.1%
No 3,856,776 41.9%

Passage of Proposition 61 authorizes the State to issue \$750 million in bonds for the construction, expansion, and renovation of children's hospitals.

Proposition 62 - Open Primaries

Yes 4,091,796 45.7%
No 4,859,606 54.3%

Proposition 62 would have allowed all voters, regardless of party registration, to vote in all primaries. Additionally, the top two vote getters in the primary, regardless of party, would face off in the general election. However, its rejection and Proposition 60's passage will keep the current primary system in place.

Proposition 63 - Tax on Personal Income Over \$1 million to Expand Mental Health Services

Yes 4,955,697 53.4%
No 4,339,074 46.6%

Passage of Proposition 63 increases the tax on individuals reporting income of more than \$1 million by a 1% surcharge. The increased revenue, which could be as high as \$800 million annually by 2006, will be used to create new county mental health programs and expand existing programs, especially aimed at serving the poor who lack insurance.

Proposition 64 - Restriction of Enforcement of Unfair Business Competition Laws

Yes 5,298,602 58.9%
No 3,704,529 41.1%

Passage of Proposition 64 restricts an individual's ability to sue a business under California's Unfair Business Competition Law. After passage, only people who have been directly injured or suffered financial and property loss can sue a business for unfair business practices or false advertising.

Proposition 65 - Local Tax Revenue Protection

Yes 3,148,835 37.5%
No 5,247,495 62.5%

Proposition 65 would have required voter approval for any legislation that provides for a reduction in local tax revenue from vehicle license fees, sales tax, and property tax. After Proposition 1A was introduced, local governments urged their constituents to vote yes on 1A and no on 65.

Proposition 66 - Restrictions to "3 Strikes" Law

Yes 4,455,250 46.6%
No 5,097,197 53.4%

Proposition 66 would have changed the mandatory sentencing guidelines in the "3 Strikes" law. The law remains in its current form, which punishes anyone who commits a third felony, regardless of its severity or violent nature, with a mandatory sentence of 25 years to life if the first two felonies were violent or serious. The proposition sought to change the law so that the "3 strikes" rule would only apply in situations where the third felony was also a serious or violent crime.

Proposition 67 - Emergency Medical Services Fund

Yes 2,586,137 28.0%
No 6,620,796 72.0%

Proposition 67 would have added a 3% surcharge to local phone bills in order to fund emergency medical services.

Proposition 68 - Non-Tribal Commercial Gambling Expansion

Yes 1,539,746 16.3%
No 7,897,800 83.7%

Proposition 68 would have required all 60 Indian tribes that operate casinos to pay 25% of net gambling revenue to the state government to fund public safety, regulatory and social programs. If the tribes failed to accept the amendment within 90 days, the government would be authorized to approve 16 existing non-tribal gambling establishments (11 cardrooms and 5 racetracks) to operate 30,000 slots/casino games that would pay 33% of net revenue to the state to help fund similar programs. Currently, Native American tribes have exclusive rights to operate slot machines in the state.

Proposition 69 - DNA Database of Suspected Felons

Yes 5,776,820 61.8%
No 3,577,664 38.2%

Passage of Proposition 69 requires the state to collect DNA samples from all adults and juveniles arrested for a felony, regardless of whether they are convicted. It will cost the state as much as \$20 million annually when the program is fully realized in 2010.

Proposition 70 - Tribal Gaming Compact

Yes 2,239,961 23.9%
No 7,110,186 76.1%

Proposition 70 would have provided Native American tribes with a 99-year unrestricted contract to operate Nevada-style casinos in California, provided tribes pay 8.8% of net revenue to the state. The proposition would have removed all restrictions on the number of slot machines and casinos that a tribe could own and operate, as well as restrictions on the types of table games allowed. Currently, each of the sixty Native American tribes in California is restricted to 2,000 slot machines and 2 casinos on tribal land.

Proposition 71 - \$3 billion Stem Cell Research Bond

Yes 5,632,666 59.1%
No 3,908,962 40.9%

Passage of Proposition 71 authorizes \$3 billion in state bonds to fund embryonic stem cell research, providing \$300 million in funding for each of the next 10 years. The total cost of the bond, including the principal and interest, will likely be approximately \$6 billion over the course of the 30-year loan.

Proposition 72 - Health Care Coverage Requirements

Yes 4,574,633 49.0%
No 4,742,960 51.0%

Proposition 72 would have required that businesses with 50 or more workers provide health insurance to their employees and dependents by 2007. If it had passed, the proposition would have provided health insurance to 1.4 of the over 5.3 million Californians without health insurance.

NEW REPORT SHOWS CALIFORNIA'S UNINSURED HOLDS STEADY AT 20 PERCENT

A recent report by the California Healthcare Foundation (CHCF) finds that California's uninsured, non-elderly population is remaining steady at 6.5 million, or 20 percent. However, employment-based coverage continued to decline, and the share of the population obtaining health insurance through public programs, particularly Medi-Cal, continued to increase. According to the report, this pattern "mirrors national coverage trends." The findings are part of CHCF's second annual report, *Snapshot: California's Uninsured, 2004*, based on analysis of the Current Population Survey by the Employee Benefit Research Institute.

The Snapshot examines:

- Health insurance coverage sources and trends;
- Employer-based coverage and uninsured population trends;
- Likelihood of being uninsured by ethnicity, income, and age group;
- Comparisons with other states; and
- Public program eligibility.

According to the report, California has the sixth largest population of uninsured in the U.S. and the largest number of uninsured residents, 6.5 million. About sixty percent of the state's 31.4 million non-elderly population receives its health coverage through an employer. But the report finds that this is a lower rate than the rest of the nation.

The California HealthCare Foundation is an independent philanthropy committed to improving the way health care is delivered and financed in California, and helping consumers make informed health care and coverage decisions.

The full report can be obtained through the Foundation's website at: <http://www.chcf.org/>.

APPROPRIATIONS ANALYSES AVAILABLE ON INSTITUTE'S WEB SITE

The California Institute has prepared analyses of the following Fiscal Year 2005 Senate appropriations bills, noting their California implications. The full Senate has yet to act on the bills, and it is likely that the appropriations in these bill will be included in an omnibus appropriations bill to be considered by Congress in the near future. These analyses are posted on the California Institute website.

* **Senate Agriculture and Related Agencies** -- On September 8, 2004, the Senate Committee on Appropriations reported its version of the Fiscal Year 2005 appropriations bill for the Departments of Agriculture, Rural Development, and Related Agencies (including the Food and Drug Administration), S. 2803. The Senate Committee Report accompanying the bill is S. Rept. 108-340. The House passed its

version of the FY05 agriculture bill on July 13, 2004 by a vote of 389 to 31. The Senate 2005 Agriculture appropriations California analysis is available at <http://www.calinst.org/pubs/ag05s.htm> , and a printable version in Adobe Acrobat (pdf) format is available at <http://www.calinst.org/pubs/ag05s.pdf> .

* **Senate Commerce, Justice, State** -- On September 15, 2004, the Senate Committee on Appropriations reported out its FY05 appropriations for the Departments of Commerce, Justice, State, the Judiciary, and Related Agencies (S. 2809). The Senate Report accompanying the bill is S.Rpt. 108-344. The \$43,467,214,000 bill is \$2,043,274,000 above the FY 2004 appropriation level and \$272,719,000 above the FY 2005 request. This Senate 2005 CJS California analysis is available at <http://www.calinst.org/pubs/cjs05s.htm> and in pdf format at <http://www.calinst.org/pubs/cjs05s.pdf> .

* **Senate Transportation and Treasury** -- On September 14, 2004, the Senate Appropriations Committee passed by voice vote a \$90.6 billion draft of the Transportation-Treasury Appropriations spending plan for Fiscal Year 2005, S. 1589. The Committee Report accompanying the bill is S. Rept. 108-342. The 2005 Senate Transportation-Treasury appropriations California analysis is available at <http://www.calinst.org/pubs/trap05s.htm> and in pdf format at <http://www.calinst.org/pubs/trap05s.pdf> .

* **Senate VA-HUD-Independent Agencies** -- On September 21, 2004, the Senate Committee on Appropriations reported the fiscal year 2005 appropriations bill for the Departments of Veteran Affairs, Housing and Urban Development, and Independent Agencies, S. 2825. The Committee report is S. Rept. 108-353. The House Appropriations Committee reported its version of the FY05 VA-HUD appropriations bill, HR 5041, on July 22, 2004 (H. Rept. 108-674). The Senate's bill authorizes \$130 billion in new budget authority, approximately \$6.6 billion more than the FY04 level and \$2.6 billion more than the President's budget request. Of the FY05 total appropriations, \$92.9 billion is discretionary budget authority. The Senate 2005 VA-HUD appropriations California analysis is available at <http://www.calinst.org/pubs/vah05s.htm> , and a pdf format version is available at <http://www.calinst.org/pubs/vah05s.pdf>.

These and various other appropriations, budget and other California analyses are available on the California Institute's website at <http://www.calinst.org/publications.htm> .