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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.

9/11 PANEL LEADER, FIRST RESPONDERS, & VICTIMS GROUP HEAD LAUD NEW COX BILL FOR FORMULA CHANGES AND “RATIONAL” METHODOLOGY

On Thursday, April 13, 2005, the House full Committee on Homeland Security entitled “Grant Reform: The Faster and Smarter Funding for First Responders Act of 2005,” featuring testimony first from former Rep. Lee. H. Hamilton, Co-Chair of the National Commission on Terrorist Attacks Upon the United States -- better known as the 9/11 Commission -- and later from first responder groups and a 9/11 victims leader.

Committee Chairman Christopher Cox (Newport Beach) said that the current system for distributing federal homeland security dollars is broken and that Congress now has the chance to repair its mistakes. Ranking Democrat Bennie Thompson’s (MS) remarks echoed those of Chairman Cox. Their joint bill, H.R. 1544, is nearly identical to the bill the House approved in 2004 after unanimous bipartisan passage by the committee. It would alter the formula for distributing homeland security funds to state and local first responders by basing nearly all funds on risk & threat, with a vastly lower small-state minimum (0.25%) than the current law minimum (0.75%).

Commending the bill for addressing prime recommendations of the 9/11 Commission, Hamilton sharply criticized the current law’s politicized formula. “Unfortunately, the current formula for distributing homeland security funds falls far short of meeting the Commission’s recommendations. Billions of federal dollars have been distributed with no consideration of risk in the allocation process. While major cities stretch their budgets to cope with a constant terrorist threat, sparsely populated counties have used their grants to purchase extravagant equipment they probably do not need based on current risk.”

Addressing one important nuance, the bill would make the minimum percentage a “true” minimum, increasing a state’s funds *up to* the minimum if it would not already receive that level, differing from the highly-unusual current law scheme that now boosts some states’ funding to the minimum (which is sometimes already well above what it would receive in normal circumstances) and then adds still more funding *beyond* the state’s first windfall. Commissioner Hamilton specifically praised this aspect of the bill, emphasizing that “*after* resources have been allocated according to risk, the bill would ensure that

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each city and state can maintain a minimal capacity for emergency response, by topping off state allocations that don't reach the 0.25% state minimum level." He added, "This is a more rational way of ensuring that small communities can maintain this basic capability."

During follow-up, Chairman Cox commented highlighted the serious, life-or-death nature of these funding decisions, commenting "This isn't the highway program; this isn't a place where we want to politically ensure every state gets a cut" of the dollars. Hamilton agreed, saying that homeland security funds should not be treated as "general revenue sharing" While he noted that predicting terrorist actions is not a precise science, he said it is "foolish to ignore the information we have about what the terrorists want to do and instead simply distribute funding on political basis."

Asked by Rep. Thompson whether rural America would be treated fairly if funds were distributed solely according to risk, Hamilton (himself a former Rep. from rural Indiana) replied that the nation "has to establish priorities" and that small states -- while by no means left out entirely -- should nevertheless agree that this is a special subject where funds "are not to be distributed willy-nilly." He added that rural America needs to accept that "we have a solemn responsibility to protect all Americans."

Rep. Jane Harman (Venice) congratulated Chairman Cox for achieving unanimity in crafting the bill and commented that "terrorists will not check our party registration or the state in which we live" before they attack. She noted that major airports and container cargo ports are uniquely vulnerable, and she urged focus on the problem of ensuring that police, health and fire communications systems are able to interact seamlessly with one another. Rep. Dan Lungren (Folsom) commented that, "the further we get away from 9/11 the harder it is to get away from porkbarrel politics" of population-based distributions.

A second panel of witnesses included Ms. Mary Fetchet, Founding Director of Voices of September 11 (a victims group); Inspector Louis P. Cannon for the National Fraternal Order of Police; Chief Greg Lord of the National Association of Emergency Medical Technicians; and Kevin O'Connor of the International Association of Fire Fighters.

In emotional testimony, Ms. Fetchet implored Congress to avoid the "intense pressure to bring home federal money," and instead allocate dollars to provide the "best possible protection." She called the formula allocation issue "too important for politics as usual to prevail." Ms. Fetchet, whose son died in the 9/11 attack, commented, "If we ask our first responders in high risk geographic areas to function within a bureaucratic system based on political maneuvering or arbitrary means, then we have already failed. It is that simple."

Ms. Fetchet said, "We have learned much about al Qaeda and Islamist extremists and what they want to target to spread terror: they want to cause mass casualties; they want to strike centers of national economic and political power; they would take delight in attacking targets of high national symbolic value; and of course they would like to destroy the nation's critical infrastructure—our nuclear, chemical, and power facilities, our transportation and telecommunications centers, our food and water supplies. Thus, not all targets and locations are as likely to be attacked. ... Cities are at higher risk and should have more funds allocated to their defense and first responders. We need to use brain power and common sense." She added, "To allocate funds in any way other than based on risk-assessment, would be to squander national treasure. Our leadership will be negligent if it does not set priorities and make decisions based on where the greatest risks lie."

Witness testimony is available at: <http://www.hsc.house.gov> .

SENATE HOMELAND PANEL APPROVES BILL WITH MINOR FORMULA CHANGES

On Wednesday, April 13, 2005, the Senate Homeland Security and Governmental Affairs Committee marked up and reported out S.21, which would alter the grant formula for homeland security funding to state and local first responders.

The Senate bill, dubbed the “*Homeland Security Grant Enhancement Act of 2005*” and sponsored by Committee Chair Susan Collins (ME) and Ranking Democrat Joe Lieberman (CT), would slightly lower the current law’s 0.75 percent small-state minimum to a 0.55 percent minimum, but by it would actually increase guaranteed funds to small states by applying that percentage to a larger pot of money. (It would apply the minimum to a firefighter grant program, boosting total funds authorized to \$2.9 billion.) The bill’s sponsors tout it as a compromise measure compared to 2004 funding, but because Congress distributed federal funds far differently in FY 2005, the Collins bill’s allocation of funds to urban areas would represent a sharp reduction from that latter year.

The Senate bill differs sharply from a House counterpart, endorsed by the Bush Administration, which would reduce the minimum to 0.25 percent. Moreover, the Senate bill would retain the unusual (and, many charge, wasteful) “minimum-first” method of distributing grant funding. Under the minimum-first approach, a large portion of funds are first spread evenly among states -- with the largest and smallest states receiving identical amounts -- and the balance is then parsed among all states, even those that may already have received excess funding under the initial minimum allocation. (The House bill, in contrast, would apply the typical small-state floor in a “minimum-last” fashion, ensuring that states that merit less than the floor percentage would be enriched only by enough to bring them up to -- not beyond -- their minimum share.)

In a statement, Collins commented, “The choice must not be between protecting skyscrapers or farms and feedlots. Or chemical plants in industrial zones versus the rural communities trucks and trains carrying those chemicals pass through.” She argued that “rural areas face unique and serious homeland security challenges,” including power and water supplies and food-oriented prospective targets. The bill would retain the existing law’s Urban Area Security Initiative (UASI) program, which distributes funds to high-threat urban areas.

The Committee handily rejected an amendment to shift more funding to a threat/risk-based distributional approach. The amendment, sponsored by Sen Frank Lautenberg (NJ), was defeated 1-15, with only Sen. Lautenberg voting in favor. The committee did approve two minor amendments during the markup, one related to border area communications and another requiring federal officials to consider past threats and elevated terror alert levels when it its risk analysis.

HOUSE HOMELAND SUBCOMMITTEE CONSIDERS FIRST RESPONDERS FORMULA

On Tuesday, April 12, the House Homeland Security Subcommittee on Emergency Preparedness, Science, and Technology held a hearing on “The Need for Grant Reform and The Faster and Smarter Funding for First Responders Act of 2005.”

In their opening statements, Chair Peter King (NY) and Ranking Member Bill Pascrell (NJ) both supported basing funding allocations on the terrorism risk and the need faced by a particular city or state. Rep. Chris Cox (Newport Beach), Chair of the full Committee, reported that he and full Committee Ranking Member Bennie Thompson (MS), had introduced H.R. 1544, the Faster and Smarter Funding for First Responders Act of 2005, on April 12.

The Subcommittee heard from the following witnesses: J. Richard Berman, Asst. Inspector General for Audits, Office of Inspector General, Department of Homeland Security; Dr. William O. Jenkins, Jr., Ph.D., Director, Homeland Security and Justice Issues, Government Accountability Office; Dr. Veronique de Rugy, Ph.D., Fellow, American Enterprise Institute; Hon. Bryan E. Beatty, Secretary, North Carolina Department of Crime Control and Public Safety; Michael Chapman, Director, Missouri Office of Homeland Security; and, David L. Miller, Administrator, Iowa Homeland Security and Emergency Management Division.

Mr. Berman’s remarks focused on the Inspector General’s (IG) March 2004 report, “Distributing and Spending ‘First Responder’ Grant Funds,” and the actions taken by the Department based on the IG’s

report. The report found that states, local jurisdictions, and first responder organizations had been slow to receive and spend first responder grant funds. He noted, however, that the situation has changed since the report. In February 2004, of the \$882 million in FY02 funding awarded by ODP, 79 percent remained in the Treasury. However, currently, only 19 percent of the FY02 money has not been drawn down by the states and local organizations.

Mr. Berman recommended that there be more “meaningful” reporting by the states so that the Department can track the state’s progress in using the funds more accurately. He also argued for the need for clearer federal guidance on equipment, training, exercises, and preparedness levels. Mr. Berman also noted that there has been no formal grant monitoring system and the IG has urged ODP to remedy this problem. He noted that new staff positions at ODP should help alleviate the problem.

Dr. Jenkins testimony focused on the history and evolution of the two largest grant programs, particularly with respect to ODP grant award procedures; timelines for awarding and transferring grant funds; and accountability for effective use of grant funds. GAO’s study concluded that managing first responder grant funds requires the ability to measure progress and provide accountability for the use of public funds. Toward that goal, GAO recommended that: ODP develop and implement strategies, establish baselines, develop and implement performance goals and data quality standards, collect reliable data, analyze that data, assess the results, and take action based on those results. Furthermore, he testified, this strategic approach to homeland security includes identifying threats and managing risks, aligning resources to address them, and assessing progress in preparing for those threats and risks.

Testimony of all the witnesses is available at: <http://www.hsc.house.gov> .

BACA SPONSORED GROUNDWATER REMEDIATION ACT PASSES HOUSE

On April 12, 2005, the full House passed the Southern California Groundwater Remediation Act, H.R. 18. The bill, introduced by Representative Joe Baca (Rialto) and sponsored by Reps. Ken Calvert (Corona), Gary Miller (Diamond Bar), Grace Napolitano (Norwalk), and Dana Rohrabacher (Huntington Beach), authorizes a fund of \$50 million for the treatment of groundwater in the Santa Ana Watershed. The fund will be administered by the Secretary of the Interior through the Bureau of Reclamation.

The primary purpose of the bill is to reduce perchlorate contamination of groundwater in Southern California, which has been detected in 186 sources in the counties served by the Santa Ana watershed. Perchlorate, which is one of the main ingredients in rocket fuel, has been linked to thyroid damage. Most perchlorate pollution emanates from federal sources, particularly military bases. According to Rep. Baca, “By most accounts, perchlorate in water comes from a federal source.” As such, the Groundwater Remediation Act will shift the expense of reducing and eliminating perchlorate from town, county and state governments to the federal government. Baca stated that this will “reverse the trend where innocent hardworking families pay for a federally-created problem that no one will take responsibility for.” In order to qualify for the funds authorized by the Act, another source of funding, which can include any combination of local governments, water authorities or private entities, must match each federal dollar with approximately \$0.54 (contributing 35 percent of the cost.) Moreover, projects initiated to clean contaminated groundwater that were instituted after January 1, 2000, are eligible to be reimbursed at the same rate for already expended dollars.

In the Senate, the bill has been referred to the Committee on Energy and Natural Resources.

ESHOO BILL EXEMPTING FEMA GRANTS FROM TAXES GOES TO PRESIDENT

H.R. 1134, authored by Rep. Anna Eshoo (Atherton) has passed both the House and Senate and now awaits signature by the President. The legislation overturns the IRS's 2004 determination that these FEMA mitigation grants are taxable, providing tax relief to thousands of grant recipients who found out after accepting the grants that they would have to pay federal tax on them.

“According to the California Office of Emergency Services, residents of Felton, La Honda, Boulder Creek and Corralitos could have to pay tens of thousands of dollars in back taxes,” Eshoo stated. “In Felton Grove, the most seriously affected area, as many as 50 families, many of whom were low-income, could face an unexpected tax bill that would force them to sell their property or declare bankruptcy if the legislation hadn't passed....”

Nine other bipartisan members of the California delegation also co-sponsored the bill. The bill passed the House under suspension of the rules by voice vote on March 14, 2005, and passed the Senate by unanimous consent on April 13.

HOUSE AND SENATE TAKE UP THE DR-CAFTA TRADE BILL

In anticipation of the White House sending the Dominican Republic-Central American Free Trade Agreement (DR-CAFTA) to Congress for consideration in the near future, both the House International Relations Committee and the Senate Finance Committee held hearings on the Agreement this week. The Bush Administration signed the trade agreement with six Central American countries – Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua – in August 2004. Once the Administration sends the bill to Congress, it will be considered under fast-track procedures that give Congress only 90 days to take an up or down vote on the Agreement's implementing legislation.

The House International Relations Subcommittee on the Western Hemisphere met on Wednesday, April 13. The Subcommittee heard from numerous witnesses, including: Hon. Xavier Becerra (Los Angeles); Jerry Cook, Vice President, International Trade, Sara Lee Branded Apparel and Co-chair of the Steering Group of the Business Coalition for U.S.-Central America Trade; Linda Chavez-Thompson, Executive Vice President, AFL-CIO; Bishop Alvaro Ramazzini, Bishop of San Marcos, Guatemala; and John Murphy, Vice President, Western Hemisphere Affairs, U.S. Chamber of Commerce.

In testifying against the DR-CAFTA, Rep. Becerra cited the sub-par labor and environmental provisions in the Agreement, and said: “In the heated competition for new markets and expanded economic opportunity, America loses if trade becomes a race to the bottom.” He argued that U.S. trade negotiators held strong when it came to negotiating the intellectual property protections in the Agreement, but stated “the same tenacity is not applied to protect human beings or the environment.” Rep. Becerra noted that during his twelve years in the House he has voted for every other Free Trade Agreement implementation bill, but could not support the DR-CAFTA Agreement.

Mr. Cook on the other hand enthusiastically supported the Agreement as a representative not only of Sara Lee Knit Branded Apparel, but also as Co-Chair of the Steering Group of the Business Coalition for U.S.- Central America Trade and on behalf of the Emergency Committee for American Trade (ECAT), which serves as the secretariat to the Business Coalition, and the American Apparel & Footwear Association (AAFA), another leading member of the Coalition. Cook testified that “CAFTA will move our countries from outdated unilateral preference programs to two way free trade, opening up Central America's and the Dominican Republic's markets to U.S. goods, services and agriculture.” He noted that many of the Agreements benefits will be immediate for U.S. farmers, manufacturers and service providers, including: duty-free access for 80 percent of U.S. consumer and manufactured goods; duty-free access for 50 percent of U.S. agricultural goods; and the immediate elimination of many major non-tariff, services and investment barriers. For consumer and industrial goods, Cook testified, the region's remaining tariffs phase out over ten years, while for agricultural goods, the phase-out is typically 15 or 18 years.

Ms. Chavez-Thompson, however, strongly opposed the Agreement. She stated that: “Instead of improving things, CAFTA will further oppress workers, depress wages in Central America and cost jobs in the United States. CAFTA is utterly devoid of compassion and opportunity for those who need it the most—the 37 million Central Americans struggling in poverty and the millions of hard-working immigrants in this nation most vulnerable to exploitation and layoffs. Under CAFTA rules, multinational

corporations will speed up their race to the bottom when it comes to wages and workplace protections. The deal will do nothing to pull people out of poverty in Central America, and it has the potential to plunge workers further into exploitation.”

Testimony of the House witnesses can be obtained through the Committees’ website at:

http://www.house.gov/international_relations .

The Senate Finance Committee also held its DR-CAFTA hearing on April 13. Throughout the proceedings, the nation’s sugar crop and the effects Central American imports would have on the market functioned as the most contentious issue. Sen. Charles Grassley, Chairman of the Finance Committee, explained how one-way trade barriers in Central America and the Dominican Republic severely hinder American business’ ability to operate in the region. According to the American Farm Bureau Federation, the implementation of Agreement would provide U.S. agriculture with an annual \$1.5 billion boost in revenue. “The agreement is a solid win for the U.S. economy, and a solid win for our neighbors from the south,” stated Grassley. Ranking Member, Sen. Max Baucus (MT) , however, expressed some concern with the DR-CAFTA, especially its agriculture provisions, and with the absence of Presidential leadership in completing the agreement.

In the first panel, the Honorable Peter F. Allgeier, the Acting U.S. Trade Representative, extolled the virtues of CAFTA to the U.S. economy, citing benefits for agriculture, technology, manufacturing, and textiles. Additionally, he addressed how the agreement would help stabilize democracy in that region. He specifically spoke to Senators’ concerns about increases in sugar imports, saying that “the amount of sugar let into the United States by CAFTA is minuscule.”

The second panel included testimony from Mr. Lochiel Edwards, President of the Montana Grain Growers Association, Mr. Terry Harris, Chairman of the Western Hemisphere Trade Committee, USA Rice Federation, Mr. Jack Roney, the Director of Economics and Policy Analysis for the American Sugar Alliance, and Mr. Mark Berlind, the Executive Vice President of Global Corporate Affairs for Kraft Foods, Inc. Mr. Harris described the rice industry’s strong support for the Agreement, saying that it “means opportunity, growth, and choice for U.S. rice producers, millers and exporters, and for consumers in Central America and the Dominican Republic.” In contrast, Mr. Roney, testifying for 146,000 sugar farmers, workers and their families, described the U.S. sugar industry’s “adamant” opposition to the Agreement. Citing a number of complex reasons for the opposition, Mr. Roney focused on the enormous amount of sugar the U.S. already imports as a result of other trade agreements. He stated that: “As a result, every additional ton of sugar we are forced to import from foreign countries is one ton less that struggling American sugar farmers will be able to produce or sell in their own market.”

The final panel consisted of non-agricultural concerns, and included testimony from Mr. John Castellani, President of the Business Roundtable, Mr. Keith Crisco, the President of Asheboro Elastics Corporation, Ms. Patricia A. Forkan, the President of the Humane Society International, and Mr. Mark Levinson, the Chief Economist and Director of Policy for UNITE HERE!. Mr. Castellani and Mr. Crisco supported DR-CAFTA because of the boost it would provide to American companies, while Ms. Forcan, supported the agreement for the strides it makes in improving environmental regulations. Mr. Levinson’s organization opposed the agreement because it does not sufficiently address poverty in the Central America and represents a “step backward for workers’ rights.”

For testimony from the Senate witnesses, visit the Committee on Finance’s website at

<http://finance.senate.gov/sitepages/hearing041305.htm> .

IMMIGRATION AMENDMENTS PENDING TO SENATE SUPPLEMENTAL

Several Senators are poised to offer immigration-related amendments to the Emergency Supplemental bill being considered on the Senate floor, despite efforts by others, including Sen. Dianne Feinstein, to push for considering immigration issues as stand-alone measures. The concern is that getting into a time-

consuming debate on highly-charged immigration amendments will stall the supplemental, which the military says it needs enacted by early May.

Senator Feinstein and others were successful in offering a non-binding sense of the Senate resolution to the bill on Wednesday, calling for delaying consideration of immigration proposals until after the Senate finished with the Supplemental. The resolution passed by a vote of 61-38. Senator Barbara Mikulski (MD) and other Senators had already indicated, however, that they were poised to offer immigration-related amendments. Mikulski's amendment would increase the cap on H-2B temporary seasonal workers. Rep. Larry Craig said that he would offer an amendment to establish a new agriculture guestworker program that includes a path to legalization for immigrant ag workers. Senator Johnny Isakson (GA) indicated he was going to offer an amendment similar to the House-approved immigration provisions, which would finish the fence along the U.S-Mexico border near San Diego, impose greater asylum restrictions, and prohibit drivers license for undocumented immigrants. The inclusion of those amendments in the House-passed Supplemental made offering immigration amendments to the Senate Supplemental germane.

As of Thursday, Senate leaders were considering whether to file a cloture petition to head off debate on the immigration amendments, while Senate Democrats, who do not want to limit debate, were trying to work out a deal on the immigration issue.

The Supplemental, H.R. 1268, provides over \$80 billion in additional spending for the wars in Iraq and Afghanistan, for Tsunami relief, and other purposes. Senator Feinstein added an amendment in the Senate that provides \$34 million to repair national forest roads and facilities damaged by the recent floods in California.

SENATE TRANSPORTATION SAFETY BILL'S PROGRESS CLEARS TEA-21 RENEWAL FOR FLOOR CONSIDERATION

On Thursday, April 14, 2005, the Senate Commerce, Science and Transportation Committee approved legislation authorizing highway safety programs. In doing so, it removed the final procedural obstacle to floor consideration of a combined measure to reauthorize the highway and transit programs currently sustained by temporary extensions of 1998's Transportation Equity Act for the 21st Century (TEA-21). The Senate could take up merged legislation -- including highway, transit, and safety titles -- as soon as next week, but the schedule is not yet clear.

HOUSE EDUCATION PANEL HEARS EXEMPLARY HEAD START ADMINISTRATORS

A number of top early childhood administrators delivered testimony at a House hearing on Head Start on April 14, 2005, to discuss the quality of exemplary Head Start programs around the country. Panelists from highly respected Head Start recipients, testifying before the House Subcommittee on Education Reform, Chaired by Rep. Michael Castle (DE), described a number of strategies and best practices for members to consider as the House prepares to introduce a Head Start reauthorization plan in the coming weeks.

Head Start, an early education and health initiative for low income children below age 5 and their families, serves 916,000. The locally controlled \$6.8 billion program has been criticized of late after it was discovered that a number of weaknesses in the management of Head Start centers had led to some financial abuses. A GAO report released in March confirmed the existence of flaws in the Head Start oversight system and offered a number of recommendations to improve Head Start's performance. The White House has also identified room for improvement in Head Start after an HHS study discovered an achievement gap separating Head Start children from their more affluent peers.

Republican education leaders are seeking to promote greater competition and improved coordination across the patchwork of early care initiatives in states as a way of enhancing Head Start service delivery to children and to protect against financial mismanagement of federal funds at Head Start centers.

Democrats counter that the program's integrity is still strong and that greater funding coupled with more rigorous oversight from federal agencies would be the most appropriate courses of action to remedy Head Start's financial management woes, rather than enhancement of state control or increased competition in the awarding of Head Start grants. "Another way to improve those children's lives is to devote more resources to Head Start," said the Subcommittee's Ranking Member Lynn Woolsey (Petaluma) in her opening statement, "so that more children can benefit."

Chair Castle asserted that exemplary programs provide Head Start children and their families with demonstrated success through strong parent involvement, attention to multiple child learning and development domains, a language rich environment, well qualified staff and administrators, an active board of directors, clean audits and program reviews, community support, and full program enrollment. According to materials released by the Education and Workforce Committee, integration with other learning initiatives in the community was also identified as a method of strengthening a Head Start center's performance by witnesses testifying at the hearing.

In his opening remarks, Rep. Castle encouraged input from the public over how to improve Head Start. He noted that a website and survey inviting public recommendations that had been launched by the committee two weeks ago had been greeted enthusiastically by Head Start stakeholders, "We want to know what works and what doesn't so that we can learn from the experiences of those programs that are leading by example." Said Rep. Castle.

For more information on this hearing or to view the Head Start survey, visit the Committee on Education and the Workforce website at <http://edworkforce.house.gov/>

CENSUS BUREAU REPORT EXAMINES COUNTRY'S FASTEST GROWING COUNTIES

A Census Bureau population estimate released April 14, 2005 listed the nation's 100 fastest growing counties between April 1, 2000 and July 1, 2004. Florida featured 14 counties in the top 100, while Virginia was home to 10, including Loudoun County, the fastest growing county in the country with a growth rate of 41 percent. 60 percent of the fastest growing counties were located in either the south or the west, highlighting the enormous increase in population in those areas. California had two counties on the list: Placer County, which grew by 58,000 people (23.6 percent) and Riverside County, which added 326,563 people (21.1 percent). While California did not have many counties among the fastest growing, the press release from the Census Bureau indicated that California had three of the top 10 counties in terms of numerical gains in population over the examined period.

The Census estimates also listed the 100 largest counties in terms of population. Within its borders, California has 15 of the nation's 100 largest counties, by far the most of any state. Los Angeles County, the most populous in the nation by a large margin, counted 9,937,739 people. Also among the 100 largest counties, in order from largest to smallest, are Orange, San Diego, San Bernadino, Riverside, Santa Clara, Alameda, Sacramento, Contra Costa, Fresno, Ventura, San Francisco, Kern, San Mateo, and San Joaquin Counties.

For the full census report and press release, visit <http://www.census.gov/popest/estimates.php>.

HOUSE VOTES TO NAME SACRAMENTO COURTHOUSE IN MEMORY OF LATE REPRESENTATIVE ROBERT T. MATSUI

On Wednesday, April 13, 2005, the House of Representatives voted without dissent to name the federal courthouse in downtown Sacramento after the late former Representative Robert T. Matsui. Rep.

Matsui, who served the Sacramento region (5th District) for 26 years, passed away on New Year's Day from a rare blood disorder. He had been reelected by a large margin less than two months earlier.

The courthouse bill was sponsored by two California congressman, Reps. Mike Thompson (St. Helena) and John Doolittle (Roseville), and cosponsored by 39 bipartisan members of the California Congressional delegation. The House bill has slightly different wording from a similar Senate bill passed in February, which was sponsored by Sen. Dianne Feinstein. It is expected that the Senate will accept the House wording before sending the bill to President Bush for approval.

In the Sacramento Bee, Rep. Thompson stated that it was fitting that the courthouse be named after Matsui, who worked tirelessly to bring the 16-story building to Sacramento. Thompson said that the courthouse, which opened in 1999 and is located at 501 I St., has been "the anchor for the revitalization of downtown Sacramento." Rep. Matsui's seat in Congress has been filled by his wife, Doris Matsui, who decisively won a special election in March.

CALIFORNIA TO RECEIVE \$750 MILLION REFUND FOR ENERGY CRISIS; 9TH CIRCUIT HOLDS CASE COULD LEAD TO BILLIONS MORE

In two separate actions on April 13, 2005, the State of California and California energy suppliers attempted to recoup some of their financial losses from California's energy crisis in 2000-01. First, the Federal Energy Regulatory Commission (FERC) ruled that Mirant Corp, a now bankrupt Atlanta energy wholesaler, owes the state and three investor-owned utilities \$750 million for overcharges stemming from market manipulation during the energy crisis. The settlement, which must still receive approval from Mirant's bankruptcy judge, would represent the second largest refund the state has received in the wake of the energy crisis. The refund would be passed on to energy consumers in the form of rate relief. To date, California has received approximately \$4.6 billion in refunds from wholesale electricity overcharges during the energy crisis.

On the same day that the state received good news concerning the Mirant settlement, lawyers representing the state were presenting a case to the federal Ninth Circuit Court of Appeal that might ultimately net the state billions more in refunds. The Ninth Circuit agreed to hear appeals on three issues relating to the energy crisis. According to a press release from the court, first, the panel of three judges would address whether FERC has jurisdiction under the Federal Power Act to order refunds from the Bonneville Power Administration. More importantly, the court examined whether (1), FERC properly set the effective date for refunds to energy purchasers for electricity sales and, (2), if certain sales of electricity were properly included or excluded from the Commission's refund plan. FERC put certain energy suppliers on notice on October 2, 2000 that they might have to pay refunds. As such, the FERC asserts that California cannot seek refunds for any wrongdoing before that date. California is requesting \$2.8 billion in refunds from the summer of 2000, before the FERC's notice. The issue is complicated by the FERC's argument that Congress vested the Commission with "absolute discretion" to remedy the situation as it sees fit; in court, the FERC insisted that the judiciary had no right to review FERC proceedings. Regardless of the outcome of the case, California may receive more than \$3 billion more in refunds from energy suppliers.