



THE CALIFORNIA INSTITUTE FOR FEDERAL POLICY RESEARCH

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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. The e-mail edition is made possible in part by in-kind contributions from Sun Microsystems and IBM Corp.

COMMITTEE ASSIGNMENTS ANNOUNCED FOR CALIFORNIA HOUSE REPUBLICANS

While House Democrats will not formalize committee assignments until the end of January, the House Republicans ratified committee assignments this week. Assignments for California Republicans, with ranking levels on the panels, are as follows:

- Agriculture: Richard Pombo rises from 6th to 4th, Doug Ose from 25th to 17th.
- Appropriations: Jerry Lewis remains 3rd, Duke Cunningham rises from 25th to 21st, and John Doolittle joins the committee at 32nd.
- Armed Services: Duncan Hunter remains 3rd, Buck McKeon jumps from 16th to 11th, and Ken Calvert joins the committee at 26th.
- Budget: Gary Miller rises from 22nd to 13th.
- Education and the Workforce: Buck McKeon rises from 8th to 6th.
- Energy and Commerce (formerly Commerce): Christopher Cox rises from 10th to 8th, George Radanovich joins the committee at 26th, and Mary Bono joins the committee at 28th.
- Financial Services (formerly Banking and Financial Services): Ed Royce rises from 11th to 9th, Christopher Cox joins the committee at 17th, Doug Ose rises from 27th to 24th, and Gary Miller joins the committee at 31st.
- Government Reform: Steve Horn remains 7th, Doug Ose rises from 21st to 16th.
- International Relations: Elton Gallegly rises from 8th to 7th, Dana Rohrabacher from 11th to 10th, Ed Royce from 13th to 11th, and Darrell Issa joins the committee at 22nd.
- Judiciary: Elton Gallegly rises from 7th to 6th, and Darrell Issa joins the panel at 19th.
- Resources: Elton Gallegly remains 5th, Ken Calvert rises from 10th to 9th, Richard Pombo remains 11th, and George Radanovich rises from 14th to 13th.
- Rules: David Dreier remains 1st as Chairman.
- Science: Dana Rohrabacher remains 6th, Ken Calvert remains 8th, and Gary Miller rises from 22nd to 17th.

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- Small Business: Darrell Issa joins the committee at 14th.
- Transportation and Infrastructure: Steve Horn rises from 10th to 8th, and will rise one more rank when Pennsylvania Rep. Bud Shuster leaves Congress at the end of January.
- Veterans' Affairs: Buck McKeon rises from 15th to 11th.
- Ways & Means: Bill Thomas rises from 3rd to 1st and becomes Chairman, Wally Herger rises from 7th to 6th.

SENATORS GIVEN COMMITTEE ASSIGNMENTS

Senate Democratic leaders announced changes in committee rosters on Thursday, January 11. Senator Dianne Feinstein will join the Energy and Natural Resources Committee; she remains on the Committees on Appropriations, Judiciary and Rules Committees. Senator Barbara Boxer leaves the Budget Committee; joins the Committee on Commerce, Science and Transportation; and remains on the Committees on Foreign Relations and Environment and Public Works.

In other organizational news for Democrats, Californians comprise three of the 16 new members on the House Democratic Steering Committee, which will decide on committee assignments at the end of January. Added to the Steering Committee were Lucille Roybal-Allard (Los Angeles), Nancy Pelosi (San Francisco) and Lynn Woolsey (Petaluma). They join Maxine Waters (Los Angeles), Brad Sherman (Sherman Oaks), and Mike Thompson (St. Helena). The Committee will decide on allocation of one new seat per committee on the Appropriations, Energy and Commerce, Ways and Means and Select Intelligence panels.

CALIFORNIANS DESIGNATED AS NOMINEES FOR BUSH CABINET POSTS

President-elect George W. Bush has nominated three California figures, Norman Mineta, Ann M. Veneman and Condoleezza Rice for cabinet positions in his administration. Current Secretary of Commerce, Norman Y. Mineta is Bush's nominee for Secretary of Transportation. Secretary Mineta was born in San Jose, and lived with his family in an internment camp for Japanese Americans during World War II. He served as San Jose's mayor from 1971-1974 after a term on the city council from 1967-1971. He represented the San Jose area in Congress from 1975-1995.

Ann M. Veneman, Bush's designee for Secretary of Agriculture is from Modesto and previously served as California's Secretary of Food and Agriculture under Governor Pete Wilson. Veneman also served as Deputy Undersecretary for International Affairs and Commodity Programs for the U.S. Department of Agriculture and as the Department's Deputy Secretary from 1991-1993 during the George Bush administration.

Condoleezza Rice, Bush's selection for National Security Advisor also served in the senior Bush's administration as Director and Senior Director of Soviet and East European Affairs in the National Security Council from 1989-1991. Rice, who is from Alabama originally but has strong California ties, joined the faculty at Stanford University in 1981 as a professor of political science and as provost from 1992-1999.

CALIFORNIA ENERGY CRISIS DISCUSSED AT WHITE HOUSE TALKS

Top California and Federal officials met this week to seek answers to the difficult problems faced by the state's electricity market. While no official results of the meetings have been announced to date, press reports on the negotiations indicated that proposals envision the State buying up to \$5 billion per year in long-term, fixed-price power from generators, and then selling the power to PG&E and Southern California Edison, which would limit costs to consumers.

Federal officials attending the White House meeting included Energy Secretary Bill Richardson, Treasury Secretary Lawrence Summers, National Economic Council director Gene Sperling, and Federal Energy Regulatory Commission Chairman James Hoecker.

State officials included Governor Gray Davis, Assembly Speaker Bob Hertzberg, Senate President Pro Tem John Burton, Senate Minority Leader James Brulte, Assembly Minority Leader Bill Campbell, and California Public Utilities Commission President Loretta Lynch.

Attending from the private sector were chief executives of the state's major shareholder-owned electric utility companies, Pacific Gas and Electric, Southern California Edison and San Diego Gas & Electric, along with top officials of major generators, including Enron, Dynegy Inc., Duke Power and Reliant Energy Wholesale Group. Also participating was California Independent System Operator President Jerry Winter.

FERC Chairman Hoecker announced his resignation this week. Hoecker has to date has opposed imposing price caps on the California market. A potential successor, Commissioner Curt Hebert, has been quoted in recent press reports as being more open to price ceilings.

CENSUS APPORTIONMENT DATA ADDS ONE HOUSE SEAT FOR CALIFORNIA

The Census Bureau on December 28, released the first results from Census 2000. Results indicate the resident population in the United States to be 281,421,906 an increase of 13.2% from the 1990 census. California again is the most populous state with 33,871,648 residents a 13.8% increase from the 1990 census. Of all the states, California gained the most in population numerically.

With this increase, according to the Census Bureau, California gains one seat in the House of Representatives based on the congressionally defined apportionment formula. Other states gaining one House seat are Colorado, New Hampshire, and North Carolina with Texas, Florida, Georgia and Arizona, each gaining two seats. States losing seats include: Connecticut, Illinois, Indiana, Michigan, Mississippi, Ohio, Oklahoma and Wisconsin each losing one seat and New York and Pennsylvania each losing two seats. Despite the fact that California gained 4.1 million new residents and gained only one new seat, the allocation formula gave two additional seats to Arizona and Georgia, each of which gained less than 2 million residents during the 1990s.

For more information on Census 2000 data please visit the following website:

<http://www.census.gov/main/www/cen2000.html> .

WESTLANDS WATER DISTRICT SUES U.S. DEPARTMENT OF INTERIOR

On Friday, February 5, the Westlands Water District filed suit against the U.S. Department of the Interior to enjoin it from implementing the Record of Decision (ROD) to increase the flow of water to the Trinity River, resulting in less water being sent over the Trinity Alps at Lewiston Dam to Sacramento and the Central Valley.

The law suit follows Secretary of Interior Bruce Babbitt's announcement in December of the ROD in the Trinity River Mainstream Fishery Restoration. Under the ROD, Interior is expected to boost water flows on the lower Trinity to an average of 595,000 acre-feet annually, compared to the roughly 340,000 acre feet currently retained on the River.

The ROD is being hailed by the Hoopa Valley and Yurok Indian tribes, and by environmental groups, as a much-needed solution to restore the Trinity's fisheries habitats. In addition, they hope it will promote economic relief for Trinity County's 13,500 residents, who have suffered in recent years from the decline in the timber and fishing industries.

Westlands, and other utility districts, however, contend that the loss of water and power to Sacramento and Central Valley residents and farmers will exacerbate the impact of the current energy

crisis and cost millions of dollars to replace the power lost. It argues that 23,000 acres of irrigated farm land and 380 farm jobs may be lost if the Trinity water is no longer diverted to the area.

Copies of DOI's Record of Decision can be found at <http://www.ccfwo.r1.fws.gov>.

PRESIDENT SIGNS TORRES-MARTINEZ BILL SOUGHT BY REP. BONO

President Clinton signed into law on December 27 the Torres-Martinez Settlement Act. The original bill was sponsored by Rep. Mary Bono (Palm Springs) and passed the House and Senate before the 2000 adjournment.

The legislation ratifies a settlement agreement between the Torres-Martinez Desert Cahuilla Indians, the U.S. Justice and Interior Departments, and the Imperial Irrigation and Coachella Valley Water Districts. Under the terms of the agreement, the law authorizes \$14 million in compensation to the tribe for reservation land lost to flooding when the Salton Sea was created between 1906 and 1909. The federal government's share is \$10 million, with the water districts contributing approximately \$4 million. In addition, the tribe will be allowed to acquire land in trust from two acquisition areas defined in the agreement. Local cities will have veto authority over the tribe's acquisition of any trust land.

Rep. Bono stated: "This ends nearly a century of injustice and more than 15 years of litigation. The tribe can now look forward to economic empowerment and a better life in the future."

GOVERNOR DAVIS DELIVERS STATE OF THE STATE ADDRESS

On Monday January 8, Governor Gray Davis delivered the annual State of the State speech, describing California as "strong, healthy and growing". Davis indicated the State saw its lowest unemployment rate in 30 years and highest increase in personal income in 16 years. Though the economy according to Davis is still strong, it is also "re-stabilizing", as he stressed the need for fiscal restraint.

Much of Davis' speech focused on the state's energy crisis. As a possible solution to the situation, Davis proposed a plan which will address short and long term issues of supply and price. The Governor indicated he set aside \$1 billion in his proposed budget to aid in stabilizing supply and price in the short term and also provide new power generation to meet long term demands. The plan includes:

- Restructure the governing boards of the System Operators to replace advocates for the energy companies with advocates for the public;
- Overhaul the bidding process for electricity;
- Streamline the process for utilities to enter into low-cost long-term contracts for electricity and pressure out of state generators to supply that power;
- Provide State regulatory agencies with mandatory authority to order any functioning generating facility down for unscheduled maintenance to go back on line;
- 50 new inspectors to Public Utilities Commission (PUC) to monitor any facility suspected of deliberately withholding power from the grid;
- Make it a criminal act to deliberately withhold power from the grid if it results in threat to personal health or safety;
- Expand the Governor's authority under state of emergency procedures in the event of imminent power outages;
- Provide \$4 million to the State's Attorney General to investigate and prosecute potential violations by merchant generators;
- The legislature must repeal the law allowing the three major utilities to sell their remaining generating facilities;
- Require municipal utilities to sell excess power to consumers at reasonable rates.

The Governor also called for consumer conservation, asking every Californian to cut energy consumption by 8%. He also discussed a plan for \$250 million investment in conservation. The Governor pledged to work with the legislature to develop a plan for California.

Other highlights of the Governor's speech were education and health care. Davis reported that test scores in California schools are up. However while scores have improved rapidly in elementary schools, middle school according to Davis are showing "only modest improvements". The Governor proposed an extension of the school year in middle schools by 30 days. In the area of Health Care the Governor announced a decrease in the number of uninsured Californians, with 500,000 people becoming insured in 2000 and the number of children enrolled in the State's Children's Health Insurance Program, Healthy Families, increasing from 30,000 to 375,000 in two years.

The Governor's speech can be read or viewed in its entirety at the State's new website: <http://www.my.ca.gov> or the Governor's website: <http://www.governor.ca.gov> .

GOVERNOR DAVIS RELEASES BUDGET

On Wednesday January 10 Governor Davis presented his \$104 Billion 2001-2002 budget. Some of the highlights of the budget are as follows:

Education - Largest allocation for K-12 education ever at \$53 billion with 32.6 billion from General Fund , increase in per-pupil funding to \$7,174, \$1.45 billion for extended middle school year initiative, \$830 million for training every math and reading teacher.

Health Care - 100 percent of California's share of Tobacco Settlement earmarked for health care, \$76 million for health coverage to 290,000 working parents through Healthy Families, \$20 million for new anti-smoking campaign targeting teens and college aged adults.

Environment - \$100 million to protect beaches and reduces pollution run-off, \$482.5 million in Proposition 12 and 13 funds to improve water quality, develop recreational areas and open space and expand urban parks, \$294.5 million for the CALFED program.

Public Safety - \$243 million to support COPS Program and juvenile crime prevention, \$40 million to the war on methamphetamine, \$30 million for local crime labs.

Tax Reliefs - \$70 million to increase manufacturing investment credit from 6% to 7%, \$27 million for Back to School Sales Tax Holiday to assist families by reducing expenses on clothes and school supplies and computers by as much as 8.25%.

The Governor's budget also includes \$250 million one-time discretionary assistance for local government, \$200 million in incentives for cities and counties to increase the number of housing permits issued and \$40 million for touch screen voting pilot projects in three counties.

To view the Governor's budget in its entirety as well as a budget summary please visit the California Department of Finance website: <http://www.dof.ca.gov> .

CALIFORNIA LOSES TWO FORMER WASHINGTON LAWMAKERS

California recently loss two former lawmakers, former Senator Alan Cranston and former Representative James C. Corman.

Senator Cranston who served 24 years in the U.S. Senate until his retirement in 1993, died Sunday, December 31, 2000 at the age of 86. During his time in the Senate, Cranston focused on nuclear arms control, civil rights and the environmental issues. Cranston helped found the California Democratic Council in 1953 and served two terms as State Controller. Cranston spent his final years as chairman of the San Francisco-based Gorbachev Foundation USA, a think tank founded by former Soviet President Mikhail Gorbachev to promote world peace.

Rep. James C. Corman who represented the San Fernando Valley's 21st Congressional district for 20 years died at age 80 on Saturday January 6. Corman served from 1961 to 1981 and focused his energy on welfare and civil rights issues. Corman served on the House Judiciary Committee, where he was instrumental in passing the 1964 Civil Rights Act. Services for Corman with interment to follow are scheduled for January 17 at 9:00 am at Arlington National Cemetery.

STATE LAUNCHES SCIENCE & INNOVATION INSTITUTES; UC TO BRIEF STAFF

In December, Governor Gray Davis and the California Legislature launched a plan to create three California Institutes for Science and Innovation at the University of California. On Tuesday, January 23, officials from U.C. and the Governor's office will brief California Congressional delegation staff regarding the plans for the Institutes.

The institutes seek to increase the state's capacity for creating new knowledge and highly skilled people via investments in research and development. The Governor and Legislature created three world-class research centers to concentrate on complex scientific challenges that demand multidisciplinary strategies and state-of-the-art equipment and facilities. The centers will be built through partnerships with industry and our institutions of higher education.

A blue-ribbon peer-review panel of scholars and scientific experts awarded three institutes designated three initial institutes: the California NanoSystems Institute at UCLA in collaboration with UC Santa Barbara; the California Institute for Telecommunications and Information Technology at UC San Diego in collaboration with UC Irvine; and the California Institute for Bioengineering, Biotechnology and Quantitative Biomedicine at UC San Francisco in collaboration with UC Berkeley and UC Santa Cruz. In his budget submission to the legislature this week, Governor Davis also proposed funding for a fourth institute: the Center for Information Technology Research in the Interest of Society at UC Berkeley in collaboration with UC Davis, UC Merced and UC Santa Cruz. The first three institutes will receive \$75 million annually for four years from the State, to be matched on a two-to-one basis by non-State funds.

For further information, go to <http://www.ucop.edu/california-institutes/overview.html> or call the University of California Washington office at 202-588-0002.

PUBLIC POLICY INSTITUTE OF CALIFORNIA RELEASES THREE REPORTS

The Public Policy Institute of California recently released three reports.

One report, entitled *Medi-Cal and Managed Care: Risk, Costs, and Regional Variation*, analyzes and compares Medi-Cal resources for enrollees to resources of a sample of privately insured employees. The report also examines the use of Medi-Cal resources by county and makes regional comparisons.

A second report, *Local Economic Development in Southern California's Suburbs: 1990-1997*, examines ways communities attract and retain economic development and addresses current apprehension over local competition in regard to economic development. The report is a results of a survey of 200 cities in Southern California.

A third report *Finding Common Ground: Racial and Ethnic Attitudes in California* was released on January 4. This report analyzes 10 statewide public opinion surveys conducted by PPIC between April 1998 and May 2000 on demographic shifts in the state and policy preferences among ethnic groups.

The reports can be viewed in their entirety at the Public Policy Institute of California website: <http://www.ppic.org> .

CALIFORNIA CENTER FOR REGIONAL LEADERSHIP RELEASES REPORT

The California Center For Regional Leadership (CCRL) recently released *Informed Regional Choices: How California's Regional Organizations are Applying Planning and Decision Tools* co-

sponsored with the James Irvine Foundation. The report examines regions' needs for technology-based planning and decision tools.

The report is based on a statewide scan of 18 regional organizations and a national scan of available planning and decision tools such as spatial analysis, collaboration and multimedia resource centers. The report proposes a statewide, networked resource center providing access to services to support efforts of the State's regional initiatives and organizations

The California Center For Regional Leadership will be launching a new initiative , CARIT - California Alliance for Regional Information Technology. This new project will support regional organizations in meeting demands for more informed decision making through the use of planning and decision tools. For more information contact CCRL at 415-882-7300 or on the web at <http://www.ccrll.org>

NEW STUDY SHOWS CALIFORNIA IS HOME TO 31% OF U.S. IMMIGRANTS

The Center for Immigration Studies (CIS) released a report recently entitled: *Immigrants in the United States - 2000: A Snapshot of America's Foreign-Born*. The report, written by Steven A. Camarota, analyzes Census Bureau data, current as of March 200, and finds that 28.4 million immigrants now live in the United States, representing a 43 percent increase since 1990. As a percentage of the population, according to the report, immigrants now account for more than one in 10 residents (10.4 percent), the highest percentage in 70 years.

With regard to California, the analysis indicates that the nearly 8.8 million immigrants in California account for 30.9 percent of the nation's total immigrant population, followed by New York (12.8 percent), Florida (9.8 percent), Texas (8.6 percent), New Jersey (4.3 percent), and Illinois (4.1 percent). Despite having only 39.3 percent of the nation's total population, these six states account for 70.5 percent of the nation's immigrant population, according to the report.

The report also shows the distribution of immigrants by region of the world. Mexico accounts for 27.7 percent of all immigrants, with 7.9 million immigrants living in the United States, more than the number of immigrants from any other part of the world. Immigrants from Mexico, Central and South America, the Caribbean, and East Asia make up the majority of immigrants, with 69 percent of the foreign-born coming from these areas.

A full copy of the report can be obtained on the CIS website at: <http://www.cis.org> .

INSTITUTE PUBLISHES THREE ANALYSES OF FY 2001 OMNIBUS APPROPRIATIONS

The California Institute has completed the third of three analyses of the FY 2001 Omnibus Appropriations bill, which was passed by Congress on December 15, 2000. The first special report assessed California aspects of provisions related to the Departments of Labor, HHS and Education, while a second special report reviewed provisions related to the Departments of Commerce, Justice and State. The final report assesses from a California perspective the remaining language, which includes appropriations for Treasury, Postal Service and General Government, as well as myriad other federal components. In many cases, the miscellaneous provisions amend FY 2001 appropriations passed earlier in the year.

California Institute appropriations analysis special reports are available on the Institute's website. The Commerce-Justice-State report is available as <http://www.calinst.org/pubs/cjs01f.htm> , the Labor-HHS-Education report is available as <http://www.calinst.org/pubs/laborh01.htm> , and the report on miscellaneous and Treasury-Postal appropriations is available at <http://www.calinst.org/pubs/misc01ap.htm> .