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

REP. HORN TO RETIRE AFTER 107TH CONGRESS

On Tuesday, September 4, Rep. Steve Horn announced that he will not seek re-election to a sixth term in the House at the end of the current Congressional session. Rep. Horn, who will have represented Long Beach and the surrounding area for 10 years, has amassed a solidly bipartisan record in his work on behalf of California issues and concerns.

Rep. Horn commented that “Locally, every major challenge that we faced in 1993 has been finished or is on track to be completed by the end of 2002. Specifically, the Air Force’s C-17 project, which was threatened with cancellation in 1993, was saved and we have laid the groundwork for its expansion. The Los Angeles River flood control project will be completed by the end of this year - five years ahead of schedule - and the Alameda Corridor project will be completed on schedule in 2002.”

Horn chairs the Government Reform Committee’s Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations. While most House districts were left largely intact by the recently-released redistricting plan (see article below), Rep. Horn’s 38th District was eliminated, with residents divided among three adjoining areas.

RADANOVICH AND CAPPS CIRCULATING DELEGATION LETTER ON MEDICAID UPPER PAYMENT LIMIT

Reps. George Radanovich (Mariposa) and Lois Capps (Santa Barbara) are circulating a delegation letter to Health and Human Services Secretary Tommy Thompson opposing a new federal rule that would cut at least \$300 million in Medicaid funding for California’s safety net hospitals.

According to the letter, last year the Centers for Medicare and Medicaid Services (formerly HCFA) issued a draft rule to close regulatory loopholes governing Medicaid Upper Payment Limits (UPL), which limit the total amount of Medicaid a state may receive. The draft rule established the UPL for most hospitals and providers as 100 percent of what Medicare pays for the services. But for non-state public hospitals, the UPL was set at 150 percent of Medicare’s rates. The second tier is designed to help safety net hospitals, for which public funding is critical, as they deliver significant amounts of

CONTENTS:

Rep. Horn To Retire After 107th Congress	1
Radanovich and Capps Circulating Delegation Letter On Medicaid Upper Payment Limit	1
Senate Passes Export Administration Act	2
State Redistricting Plan Unveiled; Status Quo Would Be Largely Maintained	2
U.S.-Mexico Continue Negotiations On Immigration Policy; Fox Wants Initial Agreement By Year’s End	5
PPIC Releases Two Surveys	5
SDSC and Caltech On Team To Build NSF “Terascale” Computing ...	6
Worldwide Semiconductor Sales Down	6
PPIC Study Predicts Population Growth May Be Less Than Projections	7
RAND To Hold Monday Briefing	

uncompensated care for the underserved. Now CMMS is proposing to create a uniform UPL for all hospitals and providers at 100 percent of Medicare's rates.

The letter to Thompson urges him to uphold the delicate balance achieved in the draft rule and maintain the 150 percent rate for non-state hospitals.

At least seventeen members of the delegation have currently signed onto the letter. Other Members wishing to sign should contact Damon Nelson in Radanovich's office (x54540) or Jeremy Sharp in Capps' office (x53601).

SENATE PASSES EXPORT ADMINISTRATION ACT

After more than two days of debate, the Senate passed S. 149 on Thursday, September 6, by a vote of 85-14. The bill reforms and reauthorizes the Export Administration Act, which controls the export of U.S. products that have both a commercial and military use (known as "dual-use" items). The bill establishes a definite time frame for executive branch consideration of export licenses and sets up an interagency dispute resolution procedure for cases where the relevant agencies cannot agree on an export license application.

It also allows the Secretary of Commerce to remove controls on an item that has been determined to have foreign availability or mass-market status. The Secretary is required to make foreign availability or mass-market status determinations within six months of receiving a petition for such status. These provisions have been strongly supported by the computer and electronics industry, as necessary to remove hindrances to the export of next generation computers and equipment.

During consideration of the bill by the Senate Banking Committee, which reported it on March 22, changes were also included to strengthen the President's ability to impose export controls where national security, anti-terrorism, end-user concerns, and international obligations are involved. See, [*Bulletin, Vol. 8, No. 10 \(3/22/01\)*](#).

Opponents of the bill were successful in including two changes during floor consideration. One strengthens the ability of the Secretary of Commerce to deny licenses to countries that do not cooperate in ensuring that dual-use exports are not routed from legitimate end-users to prohibited users. The second allows dual-use products to be sold under a general license based on foreign availability only if the foreign product is as good as the U.S. product.

The House International Relations Committee reported its version of the bill, H.R. 2581, on August 1, after adding several provisions to strengthen the Administration's ability to restrict the export of dual-use products. See, [*Bulletin, Vol. 8, No. 25 \(8/2/01\)*](#).

STATE REDISTRICTING PLAN UNVEILED; STATUS QUO WOULD BE LARGELY MAINTAINED

California state leaders recently unveiled a proposal for reallocation of Congressional and State Legislative districts. The plan makes significant changes to a few House seats, but leaves the current scheme largely in place for the vast majority of districts, those of both Democrats and Republicans. With the exception of Rep. Steve Horn, every California Member of Congress will have a clear district in which to run, and most will find the party registration somewhat stronger for the incumbent.

The plans, which also redraw districts for the State Assembly, Senate, and Board of Equalization, must be approved by the State Legislature by September 14 and signed by Governor Davis on September 26.

Two primarily new House districts would be created, one in the Central Valley and one in Los Angeles County. Significant re-mapping is proposed for Northern California, particularly near Sacramento, as well as the Central Valley and portions of the Los Angeles area.

The plan adds southern Yolo County to Rep. Mike Thompson's 1st District, but makes no other change to that CD. The 2nd District, represented by Rep. Wally Herger, would retain Chico, Redding, and the Counties of Shasta, Trinity and Siskiyou, but would see its southern portion shift from the Nevada border counties to the central portion of the Sacramento Valley currently included in the 3rd District. The areas formerly in the southeastern 2nd District (Plumas, Sierra, Yuba and Nevada Counties) would move to Rep. John Doolittle's 4th District, which would thereby shift northward and incorporate only Placer and El Dorado Counties from the former 4th District.

The 3rd District, represented by Rep. Doug Ose, which formerly ran northwest of Sacramento to Red Bluff, would be redrawn to encompass Sacramento's northern, eastern and southern suburbs and to range from the Nevada border (Alpine County) in the east through Solano County's border with Napa County in the west. In the process, Republican registration would increase by 5% to 44%.

In the San Francisco Bay Area, Rep. Ellen Tauscher's 10th District would move northward to incorporate Fairfield and parts of Dixon and Vacaville. It would retain Livermore to the south, as well as Walnut Creek and parts of Pleasant Hill, but would stretch westward to include El Cerrito in the East Bay. Rep. Barbara Lee's 9th District would grow southward, incorporating Castro Valley and inland areas near San Leandro. Rep. Pete Stark's 13th District would in turn pick up a stretch of land along the San Francisco Bay as far north as the Alameda Naval Air Station. The 16th District, represented by Rep. Zoe Lofgren, would move slightly westward near central San Jose, while Rep. Mike Honda's 15th District would elongate north to Milpitas and south to Gilroy, while shedding Saratoga and its Pacific coast stretch of Santa Cruz County. That portion would move to Rep. Anna Eshoo's 14th District, which would stretch from Redwood City on the Bay to Half Moon Bay on the Pacific, then move south through Saratoga and Scotts Valley to territories just west of Santa Cruz and just north of Watsonville.

Some of the 3rd District's suburban Sacramento voters would be moved over from Rep. Richard Pombo's 11th District, which would in turn move westward to incorporate some or all of Danville, Dublin, Moraga, Pleasanton, Orinda, San Ramon and Sunol in Alameda and Contra Costa Counties (currently part of Rep. Ellen Tauscher's 10th District), as well as most of sparsely-populated eastern Santa Clara County.

The 11th District would lose central Stockton, whose residents would be shifted into Rep. Gary Condit's 18th District, which would in turn lose some of its suburban Modesto portion. Rep. George Radanovich's 19th District would also move northward, shedding most of its Fresno County constituents and all of its Tulare County component, retaining Mariposa and Madera Counties, and gaining Tuolumne and eastern Stanislaus County.

Rep. Cal Dooley's 20th District would shift slightly northward and westward, making room for a new Central Valley district (numbered 38), which would incorporate all of Tulare County and most of eastern Fresno County and in which Republicans would hold a 47% to 38% party registration advantage. Some of the territory for the new district would be taken from Rep. Bill Thomas, whose 21st District would shift south and westward to run nearly to the Pacific Ocean, incorporating nearly all of San Luis Obispo County, and adding far northwestern Los Angeles County near Lancaster. Rep. Lois Capps' 22nd District would change considerably, including solely the coastal cities in all of San Luis Obispo and Santa Barbara Counties, and about half of the coastline of Ventura County (Oxnard and Port Hueneme). Rep. Elton Gallegly's 23rd District would move in a northwesterly direction, shedding some coastline to the 22nd, yet gaining most of inland Santa Barbara County.

The 25th District, now including only northern Los Angeles County and represented by Rep. Buck McKeon, would be expanded to include Mono and Inyo Counties and northwestern San Bernardino County. Rep. Brad Sherman's 24th District would move more centrally into the San Fernando Valley, incorporating Pacoima, Panorama City, and San Fernando, and shedding its southeastern Ventura County voters and Malibu, Agoura, Thousand Oaks, Calabasas and some of Woodland Hills. Rep. Howard

Berman's 26th District would move somewhat to the north, east and south, incorporating residents near Universal City and Burbank to the south and Sylmar and Granada Hills to the North. The western portion of the old 24th would be assumed by the 29th District, represented by Rep. Henry Waxman, which would stretch from West Hollywood to the Ventura County Line, retaining Santa Monica. Neighboring Rep. Jane Harman's 36th District would drop most of Palos Verdes, while gaining territory in San Pedro, Harbor City and Wilmington.

Rep. Steve Horn's 38th District would be eliminated, with voters divided among the 36th, 37th, and 45th Districts. Rep. Horn this week announced his decision to retire at the end of this Congressional session. Rep. Juanita Millender-McDonald's 37th District would move southward, incorporating portions of Long Beach from the old 38th, and thereby freeing space for a new, majority-Latino district (numbered 53) which will stretch from Whittier south to Cerritos and Lakewood, then northwest to Lynwood and Southgate. Diane Watson's 32nd District would change little, while Rep. Maxine Waters' 35th District would shift somewhat northwest to help accommodate the new 53rd. Rep. Lucille Roybal-Allard's 33rd District would shift somewhat north, including downtown Los Angeles, and elongating to the south and east to include Norwalk. Rep. Xavier Becerra's 30th District would push to the north and east to include Eagle Rock and would include areas to the south, west and north of downtown L.A. The 27th District, represented by Rep. Adam Schiff, would shed its western population to the 26th, while pushing southward into Alhambra and northern Monterey Park and then east to San Gabriel and Temple City. Rep. David Dreier's 28th District would move eastward, incorporating the southwestern edge of San Bernardino County near Upland. Rep. Grace Napolitano's 34th District would change considerably, retaining Norwalk, part of Pico Rivera and Hacienda Heights, but moving sharply east from there through Pomona to the county line.

In Orange County, Rep. Ed Royce's 39th District would move somewhat southeastward, eliminating its Los Angeles County component, and adding Villa Park and Orange. Neighboring Rep. Loretta Sanchez's 46th District would retain Santa Ana and most of Garden Grove but would lose a portion of that city. Rep. Dana Rohrabacher's 45th District would spread wide along the water to the west, including coastal cities from Palos Verdes through Costa Mesa, though omitting most of San Pedro and Long Beach. Rep. Chris Cox would add portions of his 47th District to the south, including parts of Mission Viejo and San Juan Capistrano, while the district would drop the eastern component which had previously stretched to the Riverside County line. The eastern portions would move to Rep. Gary Miller's 41st District, which would also pick up the remaining portions of Mission Viejo and neighboring areas.

Under the proposal, Rep. Ken Calvert's 43rd District, previously concentrated in western Riverside County, would carry westward through Orange County to the Pacific Ocean at San Clemente. Southern portions near Lake Elsinore, Lakeland Village and Perris of the 43rd would shift to Rep. Darrell Issa's 48th District. Rep. Jerry Lewis' 40th District would drop its northernmost portions of Inyo County and northern and western San Bernardino County (moved to the 25th), and add a portion of north central Riverside County near Beaumont and Banning.

In San Diego County, Rep. Susan Davis' 49th District would add a vast territory to the east, stretching along all of the U.S.-Mexico border and incorporating all of Imperial County. Rep. Bob Filner's 50th District would not change in a major fashion. Rep. Duke Cunningham's 51st District would move further south to include some of northern San Diego formerly in the 49th. Rep. Duncan Hunter's 52nd District would lose all of Imperial County and its Mexico border portion, but would add areas to the center west.

Maps and other details are available on the web at <http://www.assembly.ca.gov> by clicking on the Elections and Reapportionment link.

U.S.-MEXICO CONTINUE NEGOTIATIONS ON IMMIGRATION POLICY; FOX WANTS INITIAL AGREEMENT BY YEAR'S END

The Bush Administration and the Administration of Mexican President Vicente Fox continue to discuss long-term immigration policy between the two countries. During his visit to the United States this week, Fox made clear that he would like to see the U.S. and Mexico enter into a "first formal agreement that would start giving concrete solutions to the problem" by the end of this year.

U.S. and Mexican officials have been meeting since last February on immigration policy. Issues discussed have ranged from a temporary guestworkers program to legalization of at least some of the estimated three million undocumented Mexicans already in the United States. President Bush, however, has stated that he would not support a "blanket amnesty" program. Initially, there was talk that an agreement would be reached by the time Fox visited the U.S., but hope of that faded as members of the House and Senate from both parties objected to specific proposals or to moving too quickly on the issue.

For instance, Chairman of the House Judiciary Committee James Sensenbrenner (WI) and Immigration Subcommittee Chair George Gekas (PA) stated in August that any widespread immigration program with Mexico would be "seriously flawed – if not dead on arrival" if it came to Congress before major structural reforms had been made at the U.S. Immigration and Naturalization Service. Others, such as Rep. Howard Berman (Valley Village), are focusing on reforming the agricultural guestworkers (H-2A) program and point to the Administration's and Mexico's consideration of moving ahead separately on agriculture immigration as the best course. Rep. Berman introduced a bill in August, H.R. 2736, that would allow undocumented agricultural workers to adjust to temporary legal status if they had worked in U.S. agriculture for a sufficient amount of time.

On the issue of Mexican trucks being allowed into the U.S. as a condition of NAFTA, President Fox stated that if Mexican trucks are denied access to U.S. roads then Mexico would deny U.S. trucks the right to operate in Mexico.

PPIC RELEASES TWO SURVEYS

The Public Policy Institute of California has released two new surveys examining the opinions of Californians on various issues. The first, *Californians and Their Government*, surveyed residents' opinions on a wide range of policy issues facing the state currently. The second, *Global California: Perspectives on U.S.-Japan Relations*, explored Californians' opinions of Japan and its relationship to the state and nation. Both surveys were directed by Mark Baldassare, a senior fellow at PPIC and Director of the PPIC Statewide Survey.

In *Californians and Their Government*, PPIC found that by far the energy situation in California was the most important issue on residents' minds. Not surprisingly, 56 percent of all adults listed electricity prices and deregulation as the key issue. Trailing far behind at number two was schools and education, which 9 percent of adults named the number one priority.

Among other issues, the survey found that 68 percent of state residents - compared to 57 percent of Americans - agree with the statement that "we must protect the environment, even if it means paying higher prices for gasoline and electricity because of it?" The majority of Californians (54 percent) would also prefer to have U.S. energy policy focus on conservation and regulation, rather than the development of new supply, according to the survey.

The energy situation has not diminished interest in education, however. The majority of residents (79 percent) continue to see public school quality as at least somewhat of a problem, with 49 percent saying it is a big problem.

The second survey on U. S.-Japan relations found that almost all residents (92 percent) agree that the relationship between the U.S. and Japan is important, and nearly six in 10 say the current state of relations between the two countries is either "good" (51 percent) or "excellent" (8 percent). Other

findings were that 52 percent of Californians say that Japan should offer an official apology for war crimes committed during World War II, which 41 percent say they should not. However, 59 percent of residents also say that the U.S. should not apologize to Japan for the atomic bombings of Hiroshima and Nagasaki, while 36 percent say they should. Also, Californians are slightly more likely to say that the relationship with China (43 percent) is more important to the U.S. than our relationship with Japan (40 percent).

Both surveys can be found in their entirety through PPIC's website at: <http://www.ppic.org>.

SDSC AND CALTECH ON TEAM TO BUILD NSF "TERASCALE" COMPUTING SCHEME

In August, the National Science Foundation awarded \$53 million to four U.S. research institutions, two of which are in California, to build and deploy a distributed terascale facility (DTF). The DTF will be the largest, most comprehensive infrastructure ever deployed for scientific research, with more than 13.6 teraflops (trillions of calculations per second) of computing power and facilities capable of managing and storing more than 450 terabytes (trillions of bytes) of data. In addition to the world's fastest unclassified supercomputers, the DTF's hardware and software will include ultra high-speed networks, high-resolution visualization environments, and toolkits for grid computing, all for use by scientists and industry researchers across the country.

The institutions in the DTF project are the National Center for Supercomputing Applications (NCSA) at the University of Illinois at Urbana-Champaign, the San Diego Supercomputer Center (SDSC) at the University of California at San Diego, Argonne National Laboratory, and the California Institute of Technology. The partnership expects to work primarily with IBM, Intel Corporation, and Qwest Communications to build the facility, along with Myricom, Sun Microsystems and Oracle Corporation. "Breakthrough discoveries in fields from biology and genomics to astronomy depend critically on computational and data management infrastructure as a first-class scientific tool," said Fran Berman, director of NPACI and SDSC.

SDSC, located on the campus of the University of California San Diego, will lead the TeraGrid data and knowledge management effort by deploying a data-intensive IBM Linux cluster based on Intel Itanium family processors. This system will have a peak performance of just over four teraflops and 225 terabytes of network disk storage. In addition, a next-generation Sun Microsystems high-end server will provide a gateway to grid-distributed data for data-oriented applications.

Caltech will focus on providing online access to very large scientific data collections and will facilitate access to those data by connecting data-intensive applications to components of the TeraGrid. Caltech will deploy a 0.4-teraflop IBM Itanium processor family cluster and an IA-32 cluster that will manage 86 terabytes of online storage.

Building and deploying the DTF will take place over three years. For more information, contact the SDSC at 858-534-5000 or at <http://www.sdsc.edu>.

WORLDWIDE SEMICONDUCTOR SALES DOWN

Worldwide sales of semiconductors were \$10.86 billion in July, a decrease of 37.2 percent from last year's \$17.29 billion, according to the most recent date reported by the Semiconductor Industry Association (SIA). On a month-to-month basis, July sales were 6.1 percent below the June 2001 level of \$11.57 billion.

Although acknowledging that the current global economic downturn and an excess of inventory contributed to the decrease in sales, George Scalise, SIA President, stated that he expects the inventory correction to be completed in the September 2001 quarter, and that growth in sales for the industry will return in the December quarter.

PPIC STUDY PREDICTS STATE'S POPULATION GROWTH MAY BE LESS THAN PROJECTIONS

In a report released on August 27, the Public Policy Institute of California (PPIC) predicted that U.S.-born children of immigrants are likely to have lower birth rates than their foreign-born parents, potentially reducing current projections for rapid growth in the state's population.

The report, *New Trends in Newborns: Fertility Rates and Patterns in California*, notes that birth rates for U.S.-born Hispanics average 2.5 children per woman, while their foreign-born counterparts average 4.0 children per woman. Amnesty provisions of the Immigration Control and Reform Act of 1986 led to a significant boost in foreign-born immigration in the late 1980s and early 1990s, with a corresponding boost in birthrates associated with those new admittees. The report found that nearly half of all births in that period were to foreign-born women. The report argues that, "As the daughters and granddaughters of these immigrants become an increasing share of the women of childbearing ages, we expect declines in overall fertility rates in California. These declines in fertility rates could lead to less population growth than currently anticipated."

Population growth for a state can be due to an excess of births over deaths (called "natural increase") and more migrants moving in than moving out (or "net migration"). While the state's natural increase rates have been positive in recent memory, adding roughly two million per decade, it was net migration which was a greater growth engine in each of the four decades between 1950 and 1990. That trend shifted during the 1990s, when net migration produced only a small increase (adding less than one million during the decade) and natural increase soared -- adding more than three million new Californians thanks to a high birthrate. In part the increased birthrate is attributed to the so-called baby boom echo, which was felt more strongly in California than in the rest of the United States.

Since peaking in 1990, total fertility rates in California have declined somewhat (from 2.45 per woman in 1990 to 2.25 in 1997), but increases are predicted by some experts. The PPIC study predicts that, as immigrants as a share of California's population decline over time and are replaced by children of immigrants, overall fertility rates are likely to decline below levels projected. For example, if the rate declined to 1.9 by 2009, total births would fall by 100,000, thus reducing burdens on the educational system several years later.

The report was prepared by PPIC research fellows Hans P. Johnson and Laura Hill, and by Mary Heim, who heads the Demographic Research Unit at the California Department of Finance. It is available on the PPIC website at <http://www.ppic.org>.

RAND TO HOLD MONDAY BRIEFING REGARDING CALWORKS

On Monday, September 10, RAND will conduct an informal briefing on Capitol Hill from 12:30pm to 2:00 pm. The focus of the briefing will be on CalWORKs, California's welfare to work program. Jacob Klerman, a Sr. Economist at RAND, will lead the briefing. The California Department of Social Services (CDSS) awarded RAND the contract to evaluate the implementation and effectiveness of CalWORKs. This briefing is based on these findings. For more information go to <http://www.rand.org/CalWORKs>.

RAND's briefing will focus on welfare reform policies California has chosen, how they have been implemented, the level of participation, how caseloads have been affected over time, and how they compare with other states. The briefing also looks at lessons learned and issues for reauthorization re: funding mechanisms for TANF (including level and allocation), participation rates, and time limits.

For more information, contact Amy Rudibaugh at 703.413.1100 x5363 or amyr@rand.org.

BRIEFING FRIDAY ON CENSUS

On Friday, September 7, from 10:00 a.m. to 11:30 a.m. in 1539 Longworth House Office Building, the Population Resource Center will host a briefing on demographics and their policy impacts entitled *Our Changing Nation: Implication for Policymakers*.

The briefing will feature comments by Dr. William Frey of the University of Michigan and the Milken Institute, Dr. Carol Swain of Vanderbilt University, and Sonia Perez of the National Council of La Raza.

The briefing will seek to answer an array of questions regarding the 32.7 million Americans added between the 1990 and 2000 censuses, including whom these people are, where they live, work and go to school, and how old they are. The PRC notes that one of three Americans is now a member of a minority, and added that the Hispanic population alone grew by 58 percent through the decade. For more information, contact 202-467-5030 or prc@prcdc.org.