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Divider Title: **21**

ECONOMIC PROGRESS IN CALIFORNIA UNDER PRESIDENT CLINTON

President Clinton's strategy to strengthen the economy is based on reducing the federal budget deficit, lowering trade barriers, and empowering workers, families, businesses and communities to succeed. Here are some of the results for California after the first 28 months of the Clinton Administration:

Improved Economic Conditions in California:

- The unemployment rate has dropped from 9.4% to 8.5%.
- 158,300 new jobs added in 27 months -- after 63,200 lost during the previous 4 years combined.
- 139,700 new private sector jobs added in 27 months -- after 172,400 lost during the previous 4 years combined.
- 76,000 manufacturing jobs *LOST* in 27 months -- after 270,500 lost during the previous 4 years combined.
- New business incorporations have increased 12% per year.
- The Help Wanted Index has increased 18%.
- Bank lending has increased by $1.5 billion -- after declining by $30.7 billion during the previous 8 years.
- Bankruptcy filings have dropped 8% per year -- after increasing 13% per year during the previous 4 years.
- Home sales have increased 6% per year -- after declining 7% per year during the previous 4 years.
- Business failures have dropped 9% per year -- after rising 22% per year during the previous 12 years.

What President Clinton's Accomplishments Have Achieved for the People of California:

$10,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN CALIFORNIA: By 1998, the national debt will be over **$600 billion** lower than was projected before the passage of the President's economic plan. That's about $10,000 of reduced federal debt for each family of four in California.

10 TIMES MORE CALIFORNIA FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE: As a result of the expanded Earned Income Tax Credit, 2,146,915 working families in California will receive a tax cut. This compares to an increase in the income tax rate for only the 218,777 wealthiest taxpayers in California.

TAX CUT FOR 178,917 SMALL BUSINESSES IN CALIFORNIA: The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from $10,000 to $17,500. About 178,917 small businesses in California are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

4,959,000 CALIFORNIA WORKERS PROTECTED BY FAMILY AND MEDICAL LEAVE ACT: The Family and Medical Leave Act allows workers to take up to 12 weeks of unpaid leave for the birth of a child, to care for a sick family member, or if they become too sick to work. This law covers about 4,959,089 workers in California, and protects the jobs of 297,914 workers in California who are likely to use unpaid leave this year alone.

1.65 MILLION STUDENTS AND FORMER STUDENTS IN CALIFORNIA WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS: Approximately 1.65 million California borrowers -- 1.16 million current borrowers and 490,000 new borrowers in the next few years -- can take advantage of the new direct student loan program by participating directly in the program or by consolidating guaranteed loans into direct loans. Some will benefit from lower interest rates, and all will benefit from more repayment options, including income contingent repayment.

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California

- The Senate EITC proposal would increase taxes for 2,045,255 working families in California by an average of $245 in 1996.
- For 1,104,012 families with two or more children, the average tax increase in 1996 would be $315.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Frank Riggs	49,035	$80
2	Wally Herger	63,869	104
3	Vic Fazio	51,630	84
4	John T. Doolittle	36,567	59
5	Robert T. Matsui	57,317	93
6	Lynn Woolsey	31,679	51
7	George Miller	34,271	56
8	Nancy Pelosi	58,547	95
9	Ronald V. Dellums	60,906	99
10	Bill Baker	15,708	25
11	Richard W. Pombo	43,888	71
12	Tom Lantos	20,106	33
13	Fortney Pete Stark	23,045	37
14	Anna G. Eshoo	20,510	33
15	Norman Y. Mineta	18,392	30
16	Zoe Lofgren	26,894	44
17	Sam Farr	38,263	62
18	Gary A. Condit	51,161	83
19	George P. Radanovich	53,187	86
20	Calvin M. Dooley	61,931	100
21	William M. Thomas	51,110	83
22	Andrea H. Seastrand	41,171	67
23	Elton Gallegly	23,305	38
24	Anthony C. Beilenson	22,168	36
25	Howard P. (Buck) McKeon	21,267	35
26	Howard L. Berman	42,250	69
27	Carlos J. Moorhead	39,444	64
28	David Dreier	23,098	37
29	Henry A. Waxman	56,670	92
30	Xavier Becerra	66,011	107

California

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
31	Matthew G. Martinez	40,252	$65
32	Julian C. Dixon	59,510	97
33	Lucille Roybal-Allard	60,569	98
34	Esteban Edward Torres	27,549	45
35	Maxine Waters	57,881	94
36	Jane Harman	24,851	40
37	Walter R. Tucker III	46,837	76
38	Steve Horn	43,634	71
39	Ed Royce	18,697	30
40	Jerry Lewis	49,203	80
41	Jay Kim	26,024	42
42	George E. Brown, Jr.	41,226	67
43	Ken Calvert	32,453	53
44	Sonny Bono	45,991	75
45	Dana Rohrabacher	25,971	42
46	Robert K. Dornan	30,332	49
47	Christopher Cox	18,124	29
48	Ron Packard	26,073	42
49	Brian P. Bilbray	50,783	82
50	Bob Filner	51,350	83
51	Randy (Duke) Cunningham	22,478	36
52	Duncan Hunter	42,069	68
Total		*2,045,255*	*3,319*

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Divider Title: ______________________________

Update on Administration Activity In California
June 24, 1995

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Update on Administration Activity In California
June 24, 1995

I. Department of Treasury

a. **Reform of Federal Firearms Licenses:** Under the President's direction, the Bureau of Alcohol, Tobacco, and Firearms (ATF) has developed a program with local law enforcement officials to ensure that applicants for gun dealer licenses are engaged in legitimate business. Too often, firearms licensees who do not abide by the laws of the Federal, state, and local governments are the conduits for guns into the black market.

In California, FFLs have been reduced from 24,642 in March 1993 to 18,768 in March 1995 due to enhanced ATF enforcement and inspections.

b. **EITC:** The Senate EITC proposal would increase taxes for 2,045,255 working families in California by an average of $245 in 1996. For 1,104,012 families with two or more children, the average tax increase in 1996 would be $315.

II. Department of Commerce

a. **Los Angeles Community Development Bank (CDB):** The City of Los Angeles, in partnership with community lenders, bankers, venture capitalists and legal advisors, has established the Los Angeles CDB to create jobs and enhance economic opportunity, by providing working capital and equity for development projects in Empowerment Zones and low income areas. The Economic Development Administration and CDB have loaned $4 million to date, creating or saving 358 jobs and leveraging almost $8 million in private funds.

b. **The International Trade Administration's Consortia of American Businesses in Eastern Europe and the Newly Independent States (CABEE/CABNIS):** This initiative helps to create an export friendly environment for US firms doing business in East Central Europe and the former Soviet Union by providing awards to be matched by award recipients to help defray costs of establishing trade offices. Three awards have been made to California companies.

c. **Economic Development Administration (EDA) Assistance:** EDA has provided over $16 million in defense conversion and community assistance, in addition to $50 million for 1994 Northridge earthquake assistance during FY 1995. This includes $646,000 to the Bay Area Economic Forum's Defense Conversion Action Team to develop an integrated economic strategy to mitigate impacts of base closures and defense downsizing; $1.6 million to the City of Los Angeles for infrastructure improvements; and $1.6 million to the Malaga County Water District for sewage system upgrades.

d. **Defense Conversion:** The Bureau of Export Administration operates a defense conversion program focusing on seminars, a needs assessment program, international diversification market assessment guides, and defense trade advocacy.

e. **Advanced Technology Program (ATP):** The National Institute of Standards and Technology's ATP funded 17 California companies for over $65 million to develop an integrated healthcare information system, for fast inexpensive detection and diagnosis of human, animal and plant diseases, and to develop systematically reusable software components.

f. **On-LineTrademark Information:** The Sunnyvale Center for Innovation, Invention and Ideas, in cooperation with the **Patent and Trademark Office**, began offering up-to-date on-line access to patent and trademark information in November 1994, which signifies the first time such information has been available outside the DC area.

g. **National Information Infrastructure:** The National Telecommunications and Information Administration awarded $2.2 million to ten California grantees under the Telecommunications and Information Infrastructure Assistance Program to develop the National Information Infrastructure for disabled persons and language minorities and to establish distance learning labs.

h. **Marine Sanctuaries and Reserves:** The National Oceanic and Atmospheric Administration manages four National Marine Sanctuaries (Channel Islands, Cordell Bank, Gulf of Farallones, and Monterey Bay) and three National Estuarine Research Reserves (San Francisco Bay, Elkhorn Slough and Tijuana River) to preserve and protect the state's economic resources and marine ecology. NOAA also operates three fisheries research laboratories (in La Jolla, Monterey and Tiburon) to understand how the marine environment and human actions affect fish and marine mammal populations, and one oceanography center co-located at the Naval Post-Graduate School for environmental monitoring.

i. **New National Marine Fisheries Service (NMFS) Laboratory:** A new NOAA/NMFS fisheries research laboratory is planned at the University of California - Santa Cruz. The new lab would replace an aging facility at Tiburon. Strong university and congressional support exists for this construction.

j. **MinorityBusiness Development Centers (MBDC):** The Minority Business Development Administration operates eleven MBDCs in the state (located in Bakersfield, Fresno, Los Angeles, Oxnard, Riverside, Sacramento, Salinas, San Diego, San Francisco/Oakland, Santa Barbara, Stockton) and a Native American Business Development Center in El Monte. An MBDC in Anaheim is in the procurement process.

k. **Devaluation of the Peso:** has impacted San Diego business, as Mexico accounts for 40% of its exports.

l. **Semiconductors -- Japan:** The Semiconductor Industry Association (SIA), headquartered in San Jose, has informally stated its desire for the USG to pressure the Japanese to buy US semiconductors after the July 1996 expiration of the Semiconductor Arrangement. SIA expects that without such pressure, the foreign market share will drop below the industry expectation of a 20% share which is included in the Arrangement.

m. **Border Crossing Fees:** Most members of the business community oppose border crossing fees because of the potential impedance on cross border trade. Members of the general public favor the fees to reduce illegal immigration.

n. **Census Adjustment:** The State of California, the Counties of Los Angeles and San Bernardino, and the Cities of Los Angeles, Oakland, Pasadena, San Francisco, Long Beach, and San Jose, have filed a lawsuit against the USG seeking statistical adjustment of the 1990 Decennial Census to correct for undercounting minorities.

III. Department of Labor

a. **Unemployment:** California's unemployment rate was 8.5 percent in May 1995, down from 9.4 percent in January 1993. After showing some improvement in late 1994 and early 1995, the State's labor market has recently started to show signs of weakness. The jobless rate in May was the same as a year earlier and 1.2 percentage points higher than the February low of 7.3 percent. California has had one of the highest unemployment rates of any state since mid-1992.

Nonfarm payroll employment in California, which did not bottom out from the effects of the 1990-91 recession until 1993, has only partially recovered. The April level of 12.2 million remains 303,000 below the July 1990 peak, although it is up 158,000 since January 1993. Over the latter period, employment in services has increased by 176,000, but manufacturing has lost 76,000 jobs and finance, insurance, and real estate has lost 20,000 jobs.

b. **State Bill Introduced Pertaining to "Right to Work":** A.B. 549. Would enact a State "right-to-work" law. Legislature adjourns September 15.

c. **State Bill to Raise the Minimum Wage:** S.B. 500 would raise the State minimum wage from $4.25 an hour to $5. on 6/1/96, and to $5.75 on 6/1/97. Legislature adjourns Sept. 15.

d. **"Jobs Shrink as Economy Weakens" -- *Sacramento Bee*:"** Employment in California dropped by 206,000 jobs last month, bringing the number of Californians searching for work to 1.3 million and sending the state jobless rate from 7.9 percent in April to 8.5 percent. A sampling of California economists fault the slowdown in the economy caused by multiple rate hikes by the Fed and troubles with the nearby Mexican economy.

e. **Affirmative Action Targeted as (Gov) Wilson Repeals Programs:** This issue appeared in papers throughout the state. Against a background of charges that he is playing racial politics, Governor Wilson signed an executive order repealing the pro-affirmative action orders of three previous governors. The most far-reaching change is a revision of state hiring goals. Under the order, hiring goals will no longer be based on the overall percentage of women and minorities in the state labor pool, but rather on the percentage of those groups in a "relevant labor pool" of those considered qualified for the job.

Although the executive order does not abolish in-place programs mandated by state and federal law, it will: abolish more than 100 affirmative action-related advisory councils and committees; order the state Department of Transportation to discontinue targeting women- and minority-owned businesses for contracts under $500; eliminate the requirement that the racial and gender makeup of state job interview panels reflect the population; and eliminate the requirement that supervisors justify in writing whenever they do not hire a job candidate in an "underrepresented" category.

f. **New Action on Affirmative Action:** Within a few days of Governor's Wilson order on affirmative action, two initiatives have been filed with the state attorney general -- one for and one against affirmative action programs. The "Stop Quotas" initiative, filed last week, would ban preferential treatment for women and minorities related to hiring, contracting with the state, and applying for admission to state colleges. The "Californians for Economic and Educational Opportunities" initiative, filed Friday, wants to keep affirmative action programs viable.

g. **One-Stop Grant:** California received a $400,000 One-Stop grant for Planning and Development and a direct allocation of $423,609 for LMI.

h. **Aerospace Network:** In March 1995, the Department of Labor awarded California $18 million, the largest single dislocated worker grant ever, to help nearly 5,000 southern California aerospace workers who have lost their jobs due to corporate restructuring and defense downsizing. This grant marks the first time dislocated workers anywhere in the United States can have access to training and reemployment services through a voucher system. Instead of being eligible for service in only one location, workers can use vouchers as training tickets at any of 16 service delivery areas in and around Los Angeles. Enrollments in this program began May 15, 1995.

i. **Disaster Mitigation:** The Department of Labor has responded to California's natural calamities with funds to hire people displaced because of the disaster to perform temporary jobs related to disaster-related clean-up and repair. Most recently, funds have been provided in response to the floods of early 1995. Over 1,200 people have been provided temporary jobs to assist in property clean-up, utilities restoration, repair and rebuilding of public facilities, providing public services, and hazard mitigation.

j. **Project Joblinks:** An interagency task force, comprised of representatives from the U.S. Departments of Labor, Commerce, and Housing and Urban Development, the Federal Emergency Management Administration and the Small Business Administration, was created to facilitate the tie-in of Federal earthquake recovery dollars to the training and hiring of disadvantaged young people. As a result, the Los Angeles JOBLINKS, a $5 million program administered by DOL, was designed to provide 1,000 inner city youth and young adults in the Los Angeles area with pre-apprenticeship training and placement in apprentice positions in firms engaged in earthquake recovery-related and other Federally funded construction projects.

k. **Adult Training:** In July California will receive $176.2 million to assist approximately 75,700 low income adults. This program helps people acquire the basic and technical skills necessary to obtain new or better employment opportunities.

l. **Dislocated Workers:** In July California will receive $209 million in formula funds to serve approximately 109,500 workers who have been or are likely to be dislocated from their jobs from mass layoffs/base and plant closings and need help to find or prepare for new employment.

m. **Timber Workers:** Since January 1993, California has received $1.0 million in grants to assist workers dislocated from the timber industry.

n. **Youth Training Grants:** California receives $68.6 million in year-round youth funding and $46.7 million for the Summer Youth program to serve approximately 116,000 young low-income California youth. The year-round Youth Training Grants program is intended to help at-risk young people build their basic education skills to help them obtain long-term employment. The summer program provides temporary employment and academic skills building to school kids during the summer.

o. **Job Corps:** There are six Job Corps centers in California with a total of 2,667 slots. These residential centers in Los Angeles, Sacramento, San Diego, San Jose, Treasure Island, and Inland Empire, provide basic and technical skills training to disadvantaged, unemployed, out of school youth who come from the most debilitating environments. The Treasure Island Naval Station was one of eight sites announced last year for location of a new Job Corps Center.

p. **Unemployment Insurance:** California received $332.3 million for FY 1995 to administer the Unemployment Insurance program. In the 12-month period ending in April 1995, 1,275,000 individuals in California received benefits.

q. **Employment Service:** The California Employment Service will receive $100.9 million in 1995 to provide comprehensive employment services to individuals seeking work and employers seeking workers.

r. **Older Workers:** In July California will receive $34.5 million for the Older Workers employment program. Grants are awarded to public and private nonprofit organizations and to units of local government to subsidize low-income persons aged 55 and over. In 1995, 7,900 people will benefit from this program.

s. **Migrant and Seasonal Farmworkers and Native Americans:** In July California will receive $17.8 million for Migrant and Seasonal Farmworkers and $6.0 million for Native Americans. These programs target a special segment of the population who require training and employment assistance, nut who cannot easily access the mainline JTPA programs.

t. **Apprenticeship Services:** In FY 1994, California had 37,000 apprentices working/learning in 1,140 programs supported by 2,610 employers.

u. **Trade Adjustment Assistance (TAA):** The TAA program provides re-employment services and assistance (training, job search/job relocation allowances and income support) to workers certified by the Department as adversely affected by increased imports. In FY 1995 to date, 21 TAA certifications have been issued for California, covering about 2,749 workers. Some of the major certifications included the following companies:

- McDonnell Douglas, Douglas Aircraft Company in Long Beach, CA (960 workers)
- McDonnell Douglas, Douglas Aircraft Company in Huntington Beach, CA (600 workers)
- Ohmeda Medical Devices in Oxnard, CA (256 workers)
- Texaco Exploration and Production in Livermore, CA (193 workers)
- Boskovich Farms, Inc. in Oxnard, CA (180 workers)
- Kloehn Company, Inc. in Brea, CA (100 workers)

Funds in the amount of $12,017,500 were granted to California in FY 1995 (as of May 25, 1995) for TAA program activities.

v. **NAFTA-Transitional Adjustment Assistance (NAFTA-TAA):** The NAFTA-TAA program provides re-employment services and assistance (training, job search/job relocation allowances and income support) to workers certified by the Department as adversely affected by a shift of production by the workers' firm to Canada or Mexico or by increased imports from Canada or Mexico. Since January 1994, NAFTA-TAA certifications have been issued for 14 firms in California, covering approximately 914 workers. Some of the major NAFTA-TAA certifications in California included the following companies:

- Kyocera International, Inc. in San Diego, CA (200 workers)
- Boskovich Farms, Inc. in Oxnard, CA (170 workers)
- Ampherol Corporation in Torrance, CA (109 workers)

Funds of $375,922 were granted to California for NAFTA-TAA program activities in FY

1994 and $177,566 in FY 1995 to date.

w. **OSHA:** California is a full 23(g) State plan. The State of California does not have an underground construction standard, thus OSHA has had to work with the State on the Los Angeles Metro Rail Tunnel Project.

The State of California has not adopted the new fall protection in construction standard.

The State of California has passed a ban on smoking in the workplace.

IV. Department of Transportation

a. **Los Angeles County Metro Line Project:** FTAhas obligated $398 million since 1993 to the Los Angeles County Metropolitan Transportation Authority (LACMTA) for extension of their Metro Rail Red Line Project. The total Full Funding Grant Agreement provides for $1.23 billion in federal funding to allow this heavy rail subway system to extend from downtown Los Angeles northwest to the San Fernando Valley. The focus will be to improve transit ridership, thus decreasing single occupancy vehicles and the pollution derived from this auto travel.

V. Small Business Administration

a. **Management Counseling:** The Service Corps of Retired Executives (SCORE), the California Small Business Development Center (SBDC), and the Small Business Institutes (SBI) counseled 45,326 customers during FY 1994. Over the past four fiscal years, these resource partners have counseled over 161,000 customers.

b. **Management Training:** During FY 1994, SCORE and the California SBDC held 2,339 small business training events attended by almost 57,000 individuals. Over the past four fiscal years, these resource partners have sponsored a total of 5,550 training events attended by nearly 138,000 individuals.

For example, *"Yes I Can" owner Lois Jackman in Cathedral City, California,* makes specialized products for people with special needs. Lois contracted polio at the age of 13, which left her with residual weakness in all her limbs. Her energy and positive attitude have allowed her to overcome her physical condition and to develop a strong retail business that is dedicated to helping those with disabilities enjoy life more fully. When Lois moved to Palm Springs in 1990, she decided to create a brand new kind of business.

With the help of the Service Corps of Retired Executives and a loan from the U. S. Small Business Administration, Lois and her husband opened "Yes I Can" in October 1992 to cater to the needs of the disabled.

The business presently sells more than 850 hard-to-find items, from keychains that ring when someone whistles (for people who can't remember where they've left their keys) to battery operated, push-button peppermill grinders (for stroke victims).

c. **International Trade Programs:** In 1994, a U.S. Export Assistance Center was established in Long Beach. The Center's mission is to assist U.S. exporters create and maintain jobs by increasing export sales in Southern California, Arizona, Nevada, and Hawaii. This is accomplished with the cooperation of collocated SBA, SCORE, SBDC, EXIM Bank, AID, and U.S. Department of Commerce Foreign & Commercial Service staff working together at the Center. A new program called the "Export Working Capital Program" recently made its debut, providing short-term export finance with an SBA guarantee. This fits nicely with a unique intergovernmental cooperative arrangement SBA established with the State of California Export Finance Office (CEFO) to jointly guarantee export loans of up to $1.6 million for export-ready California small businesses.

d. **Women in Business Programs:** In California, SBA approved over 650 loans for women-owned businesses in FY 1994. The San Francisco District Office, with the support of locally developed intermediaries, was selected to establish a pilot Women's Pre-Qualification Loan Program to assist women business owners obtain needed credit. California also has two demonstration programs targeted specifically at women owned businesses.

e. **Procurement Assistance:** During FY 1994, 45 California small businesses were awarded contracts totaling nearly $60 million through the SBA's Certificate of Competency (COC) Program. In addition, the small business prime contract dollars awarded by federal agencies in California amounted to nearly $2 billion, and subcontract dollars awarded by 150 major government prime contractors in California totaled almost $3 billion during FY 1994.

f. **Minority Enterprise Development:** During 1994, 230 California small disadvantaged businesses were awarded 537 government contracts valued at over $412 million through SBA's 8(a) Minority Enterprise Development program. In addition, 222 firms received management and technical assistance through the 7(j) program valued at nearly $600,000.

g. **Low Documentation "LowDoc" Loan Program:** Access to capital and streamlined loan application procedures were two priority needs identified by small businesses and lenders in a series of town hall meetings conducted by the Administrator of SBA. In response to these needs, SBA developed streamlined loan processing procedures for loans under $100,000. LowDoc permits SBA to approve loans of up to $100,000 with the submission of a one page application. ***The program focuses on character, credit and experience of the loan applicant.***

The first LowDoc loan checks approved in California were presented in a public/private partnership between SBA and Wells Fargo Bank's Michael Gallagher to "Folk Arts" and two other businesses, Bobby's Can Cookin' and "Simply Petals," all in Santa Cruz.

LowDoc has proven to be a great success. It has increased the number of smaller loans overall, and it has increased the number of loans to small businesses owned by women and minorities. The program, less than a year old, already accounts for 35% of SBA's loans volume in California.

LowDoc has also resulted in a faster lending process. Generally, LowDoc loans are processed in a matter of several days.

h. **Access to Capital/Defense Conversion:** SBA's emphasis on meeting the capital needs of small business is in line with the needs of California's small business community. The popular 7(a) loan guarantee program is a public/private partnership with lenders that maximize taxpayer dollars to spur economic growth. The relatively long term nature of the 7(a) lending program provides capital to expanding businesses. Both the 7(a) and 504 programs help small businesses meet long term fixed asset financing.

Last year, George and Claire Gerring, owners of George Industries, were struggling to meet a 175 employee payroll. Sales had declined due to Defense cutbacks and the Southern California recession. Other states tried to lure the company to relocate. With the help of an SBA guaranteed loan, however, George Industries bounced back.

Its anodized aluminum products took off in the private sector with a variety of products, including bicycles, flashlights, wheelchairs, Fender Guitars, and golf club heads. Now staffed by 300 East Los Angeleans, the company continues to provide jobs and to help California's economy.

With SBA help, George Industries successfully converted from making defense to private industry products.

i. **Unmet Credit Needs:** A recent survey of California's Economic Development Loan Programs found that 96% of these programs reported that small businesses have credit needs their programs are unable to meet. The four most prominent credit needs cited were for: new businesses start-ups (87%); short term working capital (83%); money to finance business expansions (29%); and purchase of fixed assets, such as equipment, land, and buildings. The reasons most often cited for the fact that these needs are not being met were: insufficient flexibility of current lending programs, including constraints related to the size of the request; and the high level of risk associated with many of these projects. The survey also indicated that access to capital is a more significant issue than the cost of capital. Finally, the survey revealed the importance of technical assistance to the success of small business and community development lending programs.

VI. Department of Education

a. **Grants:** As of June 8, CA has received 412 awards ($257.2m) so far in FY 95: 96 new awards ($193.6m) and 316 continuation awards ($25.2m). In FY 94, CA received 1,327 awards, totalling $2 billion. (NOTE: These figures do not include student financial aid or Impact Aid.)

b. **Goals 2000:** CA received about $10.3 million for first-year planning activities in August, 1994. Its panel has not yet been appointed, however, largely due to the fact that both the Governor and the State Superintendent were running for office last fall. The newly elected State Superintendent, Delaine Eastin, is very supportive of Goals 2000, and is in the process of selecting her half of the State planning panel. Governor Wilson has also begun collecting names for the panel. CA is slated to receive $43.2 million in FY 95 funds. A request for proposals has been circulated regarding subgrants under Goals 2000, and the State has conducted orientation sessions for the application process.

c. **School-to-Work:** CA has received $1.4 million so far to develop a comprehensive School-to-Work system. The Employment Development Department (EDD) is the fiscal agent, and lead agency for the CA School-to-Careers system-building effort. The CA Department of Education and the CA Community College system are also key players in the effort. The main focus of activity up to this point has been networking activities between various State constituencies -- seeking input in the developing the State system and drafting the State implementation plan for submission this spring. The State has held a total of 25 focus groups/public forums over the past several months.

There are currently 4 School-to-Work local grants in CA: 2 Local Partnership grantees -- Tulare County and San Diego: and 2 Urban/Rural Opportunities Grantees -- Modesto, and Compton.

Tulare County Local Partnership Grant: A STWO Local Partnership Grant was awarded to the Tulare Private Industry Council in the summer of 1994. This initiative will enhance the Coalition's ongoing efforts to develop a county school-to-work system. The funding will broaden existing tech prep, apprenticeship, job shadowing/mentoring, work study, and career exploration programs while developing both skill standards for the agricultural sector and standard curriculum for five employment areas. The partnership will serve Tulare County, a rural area in CA's San Joaquin Valley. The Coalition has a broad-based membership including 41 elementary and middle schools, 19 secondary schools, 87 businesses, community-based organizations, elected officials, labor organizations, and employers such as Kraft General Foods and Pepsi Bottling Company.

San Diego Local Partnership Grant: The San Diego Partnership combines and enhances the efforts and resources of several existing projects into a comprehensive school-to-work system. Such existing projects includes: New Beginnings, an integration of public agency services; San Diego Youth Opportunities Unlimited (YOU), a comprehensive demonstration program for at-risk youth; and the San Diego Career Centers, a network of one-stop centers providing single access points to all education, job training, and support services countywide. Emphasis is being placed upon business, marketing, industrial technology, consumer science, and health occupational areas. This initiative will serve youth in San Diego County, a primarily urban area.

Compton Unified School District Urban/Rural Opportunities Grant: The Compton School-to-Work initiative has as its goal: systemic change in preparing all students, particularly disadvantaged youths, in the Compton area for high-wage, high-demand jobs. Partners in the Compton partnership include Compton Unified School District, Cities in Schools, IAM CARES, UAW Labor and

Employment Training, IBM, Bank of America and Hughes Aircraft. The city of Compton faces a chronic problem with youth gang activity. This partnership will create a powerful coalition of educational, community-based, non-profit and job training organizations which will address the critical needs of the youth in Compton by developing a system that will focus on the workplace as a place of learning.

Project Riverbank - Modesto Urban/Rural Opportunities Grant: Project Riverbank is an innovative STWO initiative serving a rural area with a high poverty rate in CA's Central Valley. The partnership includes K-12 and postsecondary education, business, labor, government, area non-profit organizations, teachers, counselors and students. The project is restructuring Riverbank's high school program by incorporating CA's State Model Curriculum Standards, block scheduling, integrated academics, and hands-on learning with a Career Majors program which targets high-skill, high-wage jobs in the areas of Industrial Technology, Medical Occupations and Business. Project Riverbank's STWO continuum culminates in a senior "Capstone" project, two-hour daily apprenticeship experiences throughout the senior year, the development of senior portfolios, credit transfers to local post-secondary institutions, and the issuance of Certificates of Competency.

d. **Title I:** It is estimated that CA will receive over $721 million in Title I funds for FY 95 (1995-96 school year).

e. **Professional Development:** Under the Eisenhower Professional Development program, states receive funds on a formula based upon the number of school-age children and the number of disadvantaged students in the State. Up until FY 95, Eisenhower funds were used only for math and science programs. Due to changes in our legislation, however, from FY 95 forward Eisenhower program funds may be used for any academic subject. CA received $27 million in FY 94, and its FY 95 allocation is $35.2 million.

f. **Title VI:** CA received $42.6 million in Title VI funds for FY 94. This was a decrease of approximately 15%.

g. **Safe and Drug-Free Schools:** It is estimated that CA will receive about $50 million in grants under the Safe and Drug-Free Schools program for FY 95. The State will receive $40 million to serve 970 districts and 5.8 million children through a formula grant to local districts. The Governor is supposed to receive $10 million to provide funding for community-based programs, as well as statewide organizations and replication of successful drug abuse prevention programs.

h. **Vocational Education:** CA received $115 million in FY 94 (for the 94-95 school year) under the Carl D. Perkins Vocational and Applied Technology Education Act. These funds may be used to fund State administration and leadership activities and to improve programs in local secondary and postsecondary programs. Perkins funds may also be used to provide for the full participation of special populations in programs by providing supplemental services necessary for them to succeed in vocational education. Tech-Prep programs in CA were supported by $11 million of the State's Perkins allocation.

i. **Adult Education:** CA received over $29 million in FY 94 adult education funds. CA's allotment under the Basic Grants program was over $28 million, and is used to improve the educational opportunities for adults, and to encourage the establishment of adult education programs that will: enable adult learners to acquire the basic educational skills necessary for literate functioning; provide adults with sufficient basic education to benefit from job training and retraining programs; and enable adults who so desire to continue their education to at least the level of completion of secondary school.

j. **State Literacy Centers:** CA also received almost $900,000 for State Literacy Resource Centers. These centers stimulate the coordination of literacy services, enhance the capacity of State and local organizations to provide literacy services, and serve as a reciprocal link between the National Institute for Literacy and service providers. This facilitates wider sharing of information, data, research and expertise, and literacy resources.

k. **Special Education:** CA received almost $219 million in FY 95 Part B funds under the Individuals with Disabilities Education Act (IDEA) to fund the education of 529,540 children with disabilities aged 6-21. The State received $36 million in Section 619 preschool grants to assist State education agencies in providing special education and related services to 50,966 children with disabilities aged 3-5. The State also received $35 million in Part H funds to support programs for infants and toddlers aged 0-2 and their families. CA received almost $185.5 million in a Rehabilitation Services Act Basic Support Program grant in FY 94 to provide a wide-range of services to assist individuals with disabilities in preparing for and engaging in gainful employment.

l. **Direct Lending:** Only 6 schools in CA participated in the first year of the Direct Student Loan program. This year 203 schools in CA are participating in the Direct Student Loan program. Most of the schools are proprietary schools or small colleges. Several schools in the State system are participating, including San Diego State and San Francisco State; several in the University of CA system are participating such as UC Davis and UC Irvine; and several well-known private colleges are in the program like Santa Clara University and the University of San Francisco. The 203 schools have a total loan volume to date of almost $515 million, or 31% of the 1993 total student loan volume for CA. (This information is as of March 1995.)

m. **Student Aid:** CA students are eligible for our student financial aid programs, including Pell Grants, and Work-Study Grants, and student loans. Awards are based on financial eligibility and go to students regardless of whether they attend an institution in CA.

n. **Higher Education:** A recently released report entitled, "A State of Emergency? Higher Education in CA," prepared by Harvard University professor David Breneman, has received considerable attention due to its findings of a declining system of higher education in CA. The report tracks recent budgetary and enrollment history, budgetary projections, and the lackluster response of the State's leaders.

o. **Bilingual Education:** The CA Board of Education is reviewing a proposal that could dismantle statewide bilingual education programs. The draft plan would replace the existing board policy, which is neutral on the subject, with language that emphasizes that native-language assistance is not required. Opponents of the draft plan are concerned about whether some students would continue to be taught in their native language.

q. **Inclusion:** This issue is a major emphasis for parents and for teachers in the State who are working with disabled students. The feeling at the State and local levels is that when inclusion is done well, all students benefit. When inclusion is carried out without appropriate planning, assistance, and the provision of specially designed programs and services based on the student's assessed needs, inclusion provides little educational benefit and may create serious problems.

r. **Racial Harassment:** In April of 1994, the Department's Office for Civil Rights found Riverside Community College to be in violation of Title VI and Title IX involving harassment and racial harassment. The complaint has generated public reaction on campus and local media visibility. OCR conducted an on-site review last December and is reviewing the data that was obtained.

VII. Department of Justice

a. **New Grants:** Since October 1, 1993, CA has received a total of $131,345,808 in Formula Grant funds and $105,937,102 in Discretionary Grant funds for a total of $237,282,910.

b. **House Rescissions:** 25 jurisdictions, including Los Angeles city, LA county, Orange County, San Diego County, and Riverside County, have applied for Drug Court Program funding, which would be eliminated under the House bill.

c. **Formula Grant Funds:** In FY 1994, CA received $37,704,000 in BJA Formula funds; $6,332,000 in OJJDP Formula funds; and $21,949,000 in OVC Formula Funds ($6,664,000 for Victim Assistance and $15,285,000 for Victim Compensation). To date in FY 1995, CA has received $47,497,808 in BJA Formula funds and $17,863,000 for Victim Compensation.

d. **Victims/Violence Against Women:** CA received $426,000 for the S*T*O*P Violence Against Women grant in June 1995. The multi-agency Sacramento Hate Crimes Task Force and the Sacramento Police Department obtained sophisticated equipment to investigate arson and bombings related to hate crimes and will develop a prototype for hate crimes investigations. The Santa Clara County District Attorney's office is improving coordination and intervention in domestic violence and stalking through a $100,000 grant in FY 1994.

e. **Police Hiring Grants:** California has received 357 awards totaling $101 million to hire 1232 new police officers. The five largest awards went to Los Angeles County ($6.6 million for 82 officers); Los Angeles ($4 million for 54 officers); San Diego ($4.5 million for 61 officers); San Francisco ($3.9 million for 46 officers); and Sacramento County ($2.9 for 34 officers).

f. **Comprehensive Programs:** Funded Weed and Seed sites are located in San Diego ($1.65 million in FY 1992-94), Santa Ana ($1.65 million in FY 1992-94), San Jose ($428,330 in FY 1994), and Los Angeles ($1,932,000 in FY 1994; $500,000 in FY 1995). Oakland was awarded $1.97 million in FY 1995 as part of the Comprehensive Communities Program that will initiate comprehensive planning and improved intergovernmental relationships to address the problem of violent crime.

g. **Adjudication/Correction Alternatives:** The Alameda County Probation Department was awarded a total of $3,050,00 in FY 1992 and 94 to integrate its Drug Abuse Control Center into the criminal justice system. The Sacramento Superior and Municipal Courts received a grant of $50,000 in FY 1994 to develop a Drug Court program and modify the CA penal code to enhance counseling and education for adult offenders. $50,000 also went to the San Bernadino County Probation Department for a drug court model for youthful offenders.

h. **Criminal History Records:** In June 1995, CA will receive $3,405,542 under the National Criminal History Improvement Program to improve the quality of its criminal history records and support timely development of the capacity to perform criminal background checks.

i. **SCAAP:** In October 1994, CA received a preliminary award of $33,460,700 to partially reimburse the state for the costs of housing in state facilities illegal immigrants convicted of felonies.

j. **Gangs, Guns, and Youth Violence:** Los Angeles County Probation Department's Suppression and Prevention Revitalizing Youth and Neighborhoods for Growth (SPRYNG) was awarded a total of $206,739 in FY 1993 and 94 to reduce gang, drug, and criminal activity in the target area. The Probation Department also received $95,032 in FY 1994 for their community based gang alternatives program that involves community groups and businesses in developing alternative resources for potential gang activity. Fresno received $1 million in FY 1994 for Operation Clean Sweep to eradicate gang-related crime, drug trafficking, and weapons violations.

k. **San Francisco Task Force Investigates UNABOM Case:** This federal task force investigation into a series of 16 bombings has its headquarters in San Francisco, California. Agencies conducting this massive investigation are the Federal Bureau of Investigation, the U.S. Postal Inspection Service, the Bureau of Alcohol, Tobacco and Firearms, and local police agencies. The investigation centers on 16 bombings that occurred throughout the United States beginning in 1978 and continuing through April 24, 1995. The bombs, which investigators have determined are similar in design, have resulted in three fatalities and several serious injuries. The fatalities include: the owner of a computer store who was killed on December 11, 1985, when he reached for a package bomb outside his store in Sacramento, California; advertising executive Thomas Mosser, who on December 10, 1994, was killed when he opened a mail bomb that was sent to his home in North Caldwell, New Jersey; and forestry lobbyist Gilbert Murray, who on April 24, 1995, was killed when he opened a mail bomb that was sent to the offices of the California Forestry Association in Sacramento, California.

l. **California Files Suit Against U.S. for Failure to Enforce Immigration Laws;** California v. United States, (9th Cir. [S.D. Calif.]). Because of the large number of aliens that have illegally entered the State, California argues that the Attorney General has abdicated her statutory duty to guard the borders of the United States. In addition, California argues that the failure of Congress to extend Medicaid benefits to illegal aliens violates equal protection, and that the influx of illegal aliens into the State constitutes an "Invasion" for purposes of Article IV of the Constitution, and that the federal government has failed to fulfill a constitutional duty to protect the State from that invasion. The district court dismissed the State's complaint on political question grounds. An appeal has been taken, and California's brief is due July 17th. A similar complaint filed by the State of Florida was dismissed by the district court on political question grounds and is currently pending before the Eleventh Circuit.

m. **Gang Bust Nets Record Crack Seizure:** This interstate, multi-agency investigation led to the convictions of the leaders and subordinates of a violent Los Angeles gang-based nationwide crack cocaine distribution network, reaching from Los Angeles to Seattle, Denver, Milwaukee, Birmingham, Cleveland, and Atlanta. Evidence uncovered during the lengthy investigation, including nine months of wiretaps, showed that the organization used violence, including the employment of assassins, in its daily operations. The investigation resulted in the largest seizure of crack cocaine from a single distributor to date -- 12 kilograms, with a street value of over $2 million. Eight defendants have been convicted: five face 20-year mandatory minimum prison terms; the remaining three face 10-year mandatory minimum sentences. One defendant is awaiting trial and another is a fugitive.

VIII. Department of Health and Human Services

a. **Welfare Demonstrations:** In November 1994, California submitted a request to amend the Work Pays Demonstration Project (WPDP), adding a provision to deny increases in AFDC benefits for additional children conceived while receiving AFDC. A large number of organizations have written in opposition of this provision.

California also has submitted several separate waiver requests not connected to WPDP. One request, submitted in December 1994, would require AFDC recipients in San Diego County, ages 16-18, to attend school or participate in JOBS. Another welfare proposal, received in December 1994, would require certain individuals in the JOBS program to participate in 100 hours of Community Work Experience per month. It also would provide Transitional Child Care and Medicaid to families who have become ineligible for AFDC due to increased asset or income resulting from marriage or reuniting of spouses and increase the sanctions for certain types of fraud. The Department currently is reviewing the application.

The Department also has under consideration, the state's request for approval of the "Assistance Payments Demonstration Project" (APDP), which would limit AFDC benefits for new residents of the state and reduce AFDC benefit levels, waive the 100 hour rule, and allow for continuation of 30 and 1/3 earned income disregard. This proposal originally was approved in 1992 under the Bush Administration, but was remanded by the Ninth Circuit Court of Appeals, in Beno v. Shalala, to the Department for reconsideration. As a result of this decision, the state resubmitted an amended request for waivers for APDP in August 1994. The revised proposal would pay certain exempt categories of AFDC families benefits based on grant levels in effect in California on November 1, 1992 and renew a waiver of the Medicaid maintenance of effort provision of Social Security Act, which permits a state to reduce AFDC benefits below their May 1988 grant levels. The decision regarding reinstating the waivers is still pending, in part because the state delayed its response to a list of issues raised concerning the resubmission. A large number of groups have written opposing the waivers. At the same time a number of governors and members of the state's congressional delegation have favored approval of the waivers.

b. **Medicaid:** California received $7,008,983,214 in federal payments in FY 1993. Initially a program to pay for health care services for those eligible for welfare, Medicaid now serves primarily low-income mothers and children, the non-elderly disabled, and, as a supplement to Medicare and for long-term care, the elderly. In FY 1993, Medicaid covered 4,833,824 beneficiaries. According to a study by the Urban Institute, California stands to lose $18,181,000,000 in federal Medicaid expenditures between 1996-2002 under the Senate proposal, which could leave an additional 320,548-1,065,823 persons without coverage in 2002. Under the House proposal, the state would lose $18,287,000,000 and leave 459,829-1,197,585 persons without coverage.

c. **Medicaid Disallowance:** Following HCFA's disallowance of a $315 million claim generated by California's faulty MAC system, HHS has been working closely with state and county officials to provide legally appropriate assistance to preserve the health care safety net in the most seriously affected counties (Los Angeles county accounted for almost 90% of the disallowance).

d. **New Grants:** In FY 1994, California received $15.2 billion in grants, up from $14.7 billion in FY 1993.

e. **Childhood Immunization Initiative (CII):** Total vaccine-related federal funds earmarked for California in FY 1995 to date is $91 million. An Administration initiative to improve immunization services for needy families and raise protective immunization levels in young children. The Vaccines for Children program, a component of the CII, provides, at no cost to public and participating private health care providers, federally purchased vaccine for eligible children. (California reports that vaccine is being delivered to a portion of their VFC-enrolled providers, including all public health department clinics. Delivery of vaccine to all other VFC-enrolled providers not included in the states's delivery system will be accomplished once a mechanism for delivery is established.)

f. **Medicare:** California received $16,487,553,000 in federal payments in FY 1993. Launched in 1966 as the federal health insurance program for the elderly, the program was expanded in 1972 to cover disabled persons and those with End Stage Renal Disease. In 1994, Medicare covered 3,553,552 beneficiaries. Under Senator Domenici's Medicare proposal, California stands to lose $34,302,000,000 ($4,369 per beneficiary) between 1996-2002, while Congressman Kasich's House proposal would eliminate $37,780,000,000 ($4,783 per beneficiary).

g. **Aid to Families with Dependent Children (AFDC):** California will receive approximately $3,364,247,759 during FY 1995, up from $3,360,272,801 in FY 1994. The largest cash assistance program serving needy families with children, AFDC provides transitional financial assistance to cover basic needs such as food, shelter, and clothing. Under the House proposal, California would lose $14,077,000,000 over five years, denying 1,158,000 children of AFDC benefits. The Senate proposal would cost the state $8,517,000,000 and deny benefits to 828,000 children.

h. **Job Opportunities and Basic Skills Training (JOBS) Program:** California will receive approximately $228,673,066 during FY 1995, up from $133,231,710 in FY 1994. The state uses these funds to provide job training, work experience, and education to help welfare recipients become self-sufficient. The program also offers support services, such as child care and transportation.

i. **Ryan White CARE Grants:** California received over $112.5 million in FY 1995. States and urban areas use these funds to deal with the growing costs of care for uninsured or underinsured men, women, and children with AIDS.

j. **Head Start:** California will receive approximately $394,361,000 in FY 1995, up from $371,227,000 in FY 1994, which allowed the state to serve 70,995 children and families. Grants are awarded to local public or private, non-profit agencies to provide comprehensive developmental, health, social and parent involvement services to low-income, pre-school children and their families.

The Los Angeles County Office of Education is the largest Head Start grantee in the state and the second largest in the country. Its FY 1994 funding level was $101,394,000, which supported an enrollment level of 18,610 children and families. In FY 1995 it will receive a funding increase of $3,861,000.

k. **Child Care and Development Block Grants (CCDBG):** California will receive approximately $106,608,587 in FY 1995, up from $101,825,814 in FY 1994, to provide funds for child care services for low-income families. Funds are provided to the statewide Child Care Resource and Referral (CCRR) Network to assist low-income parents searching for child care.

l. **Child Support Enforcement Program:** California will receive an estimated $120,736,868 in FY 1995, up from $105,682,933 in FY 1994. This federal/state partnership promotes family self-sufficiency by securing regular and timely child support payments. Child support enforcement efforts in the state have had the following results:

	FY 1994	FY 1993
Paternities Established:	91,475	77,324
Support Orders Established:	17,834	
Absent Parents Located:	395,348	330,496
Out-of-Wedlock Births:	1992 - 206,396	
	1991 - 204,229	

m. **Older Americans Act:** In 1994, HHS allocated more than $50 million to California to provide services to the elderly who are 60 and over. In FY 1994, the state assisted thousands of elderly to maintain their independence and avoid institutional care by using their grant to provide a host of home and community-based services including those listed below.

Type	Units of Service	No. Persons Served	Amount Expended
Home Delivered Meals	7,938,135	54,186	$12,833,312
Congregate Meals	11,785,521	169,425	$23,174,739
Personal Care	54,081	8,414	$345,491
Housekeeping	171,922	15,924	$1,108,889
Transportation	1,192,278	14,719	$3,701,336
Counseling	4,989	1,247	$161,109

IX. Department of Housing and Urban Development

a. **San Francisco Housing Authority**: Mayor Frank Jordan plans to reorganize this troubled housing authority. He has requested technical assistance from HUD, which HUD will provide. Secretary Cisneros met with the Mayor on June 2, 1995 to discuss the issue. Given the recent Federal intervention in Chicago, HUD will consider the appropriate Federal role in turning around San Francisco's troubled public housing agency. HUD is currently formulating a San Francisco strategy.

b. **Single Family Homeowners:** As a result of successful efforts to streamline the FHA to make homeownership more accessible for all Americans, FHA enjoyed one of its most successful years in 1994. In 1994, FHA insured single family loans for 125,097 families in California, an increase from the 101,998 families served in 1993.

c. **Homeownership Savings to California Families**: Under a new rule effective May 24, 1995, millions of Americans will get credits or refunds from their home loan escrow accounts. Some homebuyers will save as much as $250 at closing. In California, homeowners will get back $146.2 million from their escrow accounts.

d. **Empowerment Zone/Enterprise Communities:** Los Angeles received a $125 million "Urban Supplemental Zone" and Oakland a $25 million "Urban Enhanced Enterprise Community" designation under the Administration's Empowerment Zone/Enterprise Communities program, announced in December 1994. Five other California communities also won "enterprise community" designations under the program:

Imperial County	Rural EC
City of Watsonville: Santa Cruz County	Rural EC
Los Angeles (South Central/Huntington Park)	Urban EC
San Diego	Urban EC
San Francisco (Hunters Point)	Urban EC

e. **Transforming the Nation's Worst Public Housing through HOPE VI (FY 1994) ($50,000,000):** Los Angeles received $50 million to partially demolish and rebuild two of the worst public housing developments in the city – Pico Gardens and Aliso Apartments. Demolition is anticipated to take place in February 1996. HOPE VI – the Administration's aggressive response to the worst public housing developments in the country – provides maximum federal commitments but minimum federal control to dramatically reshape the physical and social environments of public housing communities.

f. **Fighting Crime through the Administration's Operation Safe Home Initiative:** Operation Safe Home is the Administration's aggressive interagency effort to combat violent crime and white collar crime in public and assisted housing. Between February 1994 and February 1995, HUD, Justice, Treasury and ONDCP joined forces with state and local law enforcement officials and public housing authorities across the country in arresting of over 3,000 individuals in a variety of charges, most notably drug and weapons violations. Many of these arrests resulted from over 400 search warrants that these interagency teams served. From these arrests and searches, over $1.5 million in drugs, $480,000 in cash and 335 weapons were seized by the joint teams. There are ongoing Operation Safe Home activities in Los Angeles, San Francisco, and Sacramento. (See success stories for more details)

g. **San Francisco Innovative Homeless City Initiative** (FY 1994) ($7,000,000): The San Francisco Bay Area received a $7 million grant to implement its Innovative Homeless Initiative. The Bay Area is the Nation's first regional Innovative Homeless Initiative, aiming to reduce homelessness in a nine-county, 98-city area.

h. **Pension Fund Investment in Affordable Housing:** Last year, the Administration announced $100 million in awards for the Section 8 Community Investment Demonstration. The Demonstration is designed to encourage pension funds to invest in the production and rehabilitation of affordable multifamily housing. The Equitable Real Estate Investment Mgmt., Inc., the California Public Employee's Retirement System (CalPers/Bridge Housing Corporation), and the AFL-CIO Housing Investment Trust have proposed to sponsor the rehabilitation and new construction of a total of 1,090 units of housing throughout California.

i. **Safe Neighborhood Action Plan (SNAP):** Los Angeles is one of 14 cities participating in SNAP, a new anti-crime initiative coordinated by HUD, the U.S. Conference of Mayors, and the National Assisted Housing Management Association. The Safe Neighborhood Action Plan (SNAP) is a comprehensive anti-crime strategy aimed at combatting crime in targeted assisted housing neighborhoods. Los Angeles has completed their plans and have targeted their local partnership efforts to five assisted housing developments in the Vermont East area. Special innovations include: community policing, ridding neighborhoods of vacant, earthquake-damaged buildings that create a haven for criminal activity.

j. **Ongoing Northridge Earthquake Activity -- "Mobility Plus":** In the aftermath of the Northridge Earthquake, HUD organized teams of local non-profits and HUD staff to assist low-income families who were displaced by the earthquake (and subsequently received emergency rental assistance) in locating housing, negotiating with landlords, finding child care and other social services in order to regain a stable lifestyle. Last year, these "mobility" teams made the overall Section 8 initiative a success, ultimately providing decent, affordable temporary housing for 13,000 families in a short time. Today, HUD is moving on to the next phase of the Mobility Program -- to help the 13,000 families transition to permanent housing before their 18-month emergency rental assistance expires. As of June 2, 1995, the Mobility Plus program has helped approximately 216 earthquake-displaced families move into permanent homes. (see above for Mobility Success Story)

k. **Rental Assistance to California Flood Victims:** In March 1994, Secretary Cisneros provided federal rental assistance to income-eligible families whose homes were permanently destroyed by the California floods. As a result, HUD distributed 300 Section 8 rental certificates to Sonoma and 50 rental certificates to San Buena Ventura.

l. **Economic Development Initiative (FY 1994):** California received $3.6 million in EDI funds to create jobs and promote economic revitalization in distressed neighborhoods.

m. **Community Development Block Grant (CDBG) (FY 1995):** Provides financial resources to state and local governments to carry out a wide range of community/economic development activities, including the renovation of housing and the provision of public facilities.

State of California:	$ 43,254,000
Total State:	$555,843,000

n. **Economic Development Initiative Grants** (EDI) (FY 1995) ($8,300,000): On June 15, 1995, HUD announced 70 awards totallying nearly $500 million in grants and federal loan guarantees to spur economic development and job creation in 64 cities. This year's EDI will create 20,000 jobs and leverage over $1 billion in public and private investments. California awardees include: Alhambra, Fresno, Pico Rivera, Riverside, Sacramento, San Bernadino County, San Diego, San Francisco, San Jose, and South Gate.

Total EDI Grant in California:	$ 8,300,000
Total Federal Loan Amount:	$103,920,000

o. **HOME Investment Partnership (FY 1995):** Provides funds to state and local governments for housing rehabilitation, renovation, and construction. Other eligible activities include short-term rental assistance and the provision of transitional housing for the homeless.

State of California:	$ 38,080,000
Total State:	$176,070,000

p. **Emergency Shelter Grants (ESG)(FY 1995):** Provides funds to state and local governments for the renovation, rehabilitation, or conversion of buildings for use as emergency shelters. Funds may also be used for social services and homeless prevention efforts.

State of California:	$ 5,288,000
Total State:	$16,760,000

q. **Housing Opportunities for Persons with AIDS** (HOPWA)(FY 1995): Provides housing assistance and supportive services for low-income persons with HIV/AIDS and their families.

State of California:	$ 2,154,000
Total State:	$31,270,000

r. **Supportive Housing for the Elderly** (Section 202)(FY 1994)($76,609,700): California's $76 million will help build new housing and provide rental assistance for 966 older Americans in the state.

s. **Supportive Housing for Persons with Disabilities** (Section 811)(FY 1994)($20,190,000): California's $20 million will help build new housing and provide rental assistance for 270 persons with disabilities in the state.

t. **Youth Development Initiative** (FY 1994)($1,000,000): The City of Los Angeles will use the $1 million for a program designed to enhance the career opportunities of youth residing in public housing and to reduce the level of drug abuse and gang involvement.

X. Department of Agriculture

a. **Fresh Poultry:** USDA has received over 2,600 comments on its proposal to prohibit the use of the term "fresh" on poultry that has been previously frozen. The comment period closed on May 19. USDA is analyzing the comments to develop a final rule on "fresh." The California Congressional delegation is interested in this issue.

b. **Impacts of FY95 Funding Cuts:** The California advocate community projects serious effects resulting from FY95 funding cuts. Smaller county food banks which are dependent on USDA commodities may discontinue operations, jeopardizing nearly half of its Emergency Feeding Organizations (EFOs) which represent 750 smaller distribution sites. The Administration requested no funding for commodities in the FY95 and FY96 budgets; $40 million in administration costs were requested.

c. **Possible Sanction:** On April 12, 1995, the USDA Food and Consumer Service (FCS) turned down a request from the California Department of Health Services to approve an August 1 implementation date for its new Women, Infants, and Children (WIC) infant formula rebate contract. Since the contract award was not held up by any bidder protest, and the state did not sufficiently justify the need for a delay, FCS responded that California would face a fiscal sanction of 10 percent of its FY95 nutrition services and administration funding for each month the state agency is out of compliance.

d. **Avocado Imports:** The USDA Animal and Plant Health Inspection Service is considering a petition from Mexico to permit Hass avocados to be imported into the northeastern United States. California avocado growers and most Members of the state's Congressional delegation oppose the request, citing alleged inadequacies in Mexico's scientific supporting data.

e. **Poultry Disease Threat:** As a result of recent outbreaks in Mexico of highly pathogenic avian influenza, an infectious viral disease affecting poultry and other birds, USDA Animal and Plant Health Inspection Service officials have increased disease surveillance activities in states bordering Mexico. The U.S. industry is concerned about the presence of this disease in Mexico.

f. **Perishable Agricultural Commodities Act (PACA):** Since California leads the nation in fruit and vegetable production, PACA is of significant concern to the state's producers. The Act aims to ensure a fair and ethical marketing environment for fresh and frozen fruit and vegetable trading. Elements of the law have been challenged by segments of the industry. On February 17, USDA issued a news release reaffirming the Administration's commitment to the PACA.

g. **Adverse Weather:** Adverse weather has caused California producers considerable problems which are being addressed by USDA. On May 18, the Department announced interim final regulations to implement the Noninsured Crop Disaster Assistance Program, a key component of the Administration's federal crop insurance reform legislation which Congress passed in 1994.

h. **Research**: USDA Research -- USDA Agricultural Research Service programs in California employ 447 staff with a budget of $40.9 million. Facilities are in Albany, Brawley, Davis, Fresno, Riverside, Salinas, and San Francisco.

The Environmental Protection Agency said a complete phase-out of methyl bromide (MB), a pesticide (called in 1992 by the Montreal Protocol an "ozone depleter") production and importation by 2001; loss of MB will seriously impact California agricultural production and export, as well as imports from Mexico and South America. Three USDA Agricultural Research Service (ARS) cosponsored workshops were held to establish research priorities for alternatives to MB. FY95 funding for ARS-MB alternative research is $13.1 million, an increase of $4.7 million over FY94 through redirection.

USDA is conducting research in California on grape plant genetic resistance to phylloxera (insect pest responsible for extensive vineyard decline in north coastal wine-growing regions) and virus diseases. MB is the only means of soil insect control currently acceptable to the banking community to finance replanting of vineyards.

i. **Grants:** The USDA Forest Service is reviewing applications for $2.3 million in community grants for 1995.

j. **Rural Enterprise Communities**: California was selected for two Rural Enterprise Communities. One is in Imperial County and the other is the City of Watsonville/County of Santa Cruz. The Rural Economic and Community Development Service has obligated water and waste programs funds in excess of $14 million in timber-impacted communities as part of the Pacific Northwest Economic Adjustment Initiative.

The Karuk Tribe and other small rural communities in a timber-impacted area, where unemployment is 60 percent for Native Americans and 40 percent for the rest of the community, are being helped by the Northwest Economic Adjustment Initiative.

After discovering that the only hardware store within 70 miles was to be closed, several federal agencies and Truckee River Bank are providing grants, loans, and equipment to the Tribe, so they can buy the hardware business, add a lumberyard, and create a full-service building supply center, garden nursery, and storage center.

k. **AMERICORPS**: Natural Resource Conservation Service AmeriCorps workers are concentrating on California's north coast area on water quality issues vital to fish habitat restoration. Other projects include controlling forest fuel, improving water quality, controlling erosion, and preventing flooding in the San Bernandino Mountains.

l. **Welfare Reform:** California operates the largest cash-out project in the nation in San Diego, issuing $12.5 million in cash each month in lieu of food stamp coupons. The state has also submitted and received approval to implement several welfare reform proposals under a project known as "Work Pays." This plan offers incentives under the Aid to Families with Dependent Children (AFDC) program to promote education and work.

m. **Medfly Situation:** In early 1995, the USDA Animal and Plant Health Inspection Service prevented a Japanese embargo of California agricultural products by swiftly enacting Mediterranean fruit fly (Medfly) eradication activities and negotiating with Japanese officials.

XI. Department of Energy

a. **DOE estimates that it will spend about $1.67 billion in California in FY 1996:**

- Energy supply research and development activities account for about $460 million of this amount, and weapons activities for about $405 million.
- Among its federal facilities in California, the Department estimates that it will fund Lawrence Livermore National Laboratory at about $673 million; Lawrence Berkeley Laboratory at about $226 million; and the Stanford Linear Accelerator Center at about $186 million.

California received grants totalling $1,954,993,401 in FY 1994. In FY 1994, the Department of Energy employed 11,369 contractor employees and 681 federal employees in California.

b. **Point of Entry for Foreign Spent Nuclear Fuel:** An April 12 draft environmental impact statement on foreign spent nuclear fuel issued jointly by the Departments of Energy and State identifies Concord, California as a possible point of entry for the fuel. The draft considers whether the United States should adopt a policy managing the spent fuel or take no action. Three alternatives are examined under the proposed policy for managing the spent fuel: (1) accept and manage foreign research reactor spent nuclear fuel in the United States; (2) provide United States assistance to manage the spent nuclear fuel abroad; (3) a combination of these two alternatives. Under alternative one, ten possible points of entry are identified, including the Naval Weapons Station at Concord, California. The draft statement explains that the Department has no preferred management alternative at this time.

c. **Aid to Independent Oil Producers in California:** The Department of Energy is leading an interagency task force which is focusing on actions the Clinton Administration can take to aid independent oil producers in California. The effort is part of the policy implementation of recommendations contained in the Department's domestic gas and oil initiative. The group is scheduled to present its recommendations to the President by April 30.

d. **Alaskan North Slope Oil:** Many Members of the California Congressional delegation -- and Senator Feinstein (D) and Representative Vic Fazio (D-3) in particular -- have expressed support for lifting the Congressional ban on exporting Alaskan North Slope oil. California legislators support the lifting of the ban because doing so will increase economic opportunities for independent oil and gas producers in California.

XII. Department of Interior

a. **Water Reclamation and Reuse Grants:** The Los Angeles, San Gabriel and San Diego areas are authorized to receive Federal construction assistance for Water Reclamation and Reuse. In Fiscal Year 1994, these areas received a total of $10.25 million, and in FY 1995 $15.75 million. Reclamation's FY 1996 appropriations request for the areas total $21.39 million. In the Los Angeles area, three projects will reclaim a total of 120,000 acre feet of water annually, which will replace water that would have been diverted from the Mono Lake Basin.

b. **Federal Aid in Sport Fish Restoration**. CA received $9.7 million in 1993, $8.7 million in 1994, and $9.9 million in 1995.

c. **Federal Aid in Wildlife Restoration.** CA received $5.5 million in 1993, $6.3 million in 1994, and $7.3 million in 1995. More than 340,000 user-days are spent on the State's ten wildlife management areas by wildlife enthusiasts and an additional 10-13 million user-days of hunting and other wildlife-associated recreation statewide.

d. **AmeriCorps:** Under a $250,000 grant from the President's AmeriCorps National Service Program, the Bureau of Land Management employed 20 people from local communities to restore endangered species habitat and wetlands, plan and construct erosion control devices, interpret natural projects and construct fences and barriers on former military lands at Fort Ord.

The project benefits 25,000 acres of unique coastal wetlands that will be transferred from the Department of Defense to the BLM. The Fort Ord project will also help in the economic recovery of the local community, which has been hard hit by the base closure.

e. **Bay/Delta Protection Plan:** On December 15, 1994, the Federal Government and the State of California signed an historic agreement on a comprehensive, coordinated package of actions to protect the Sacramento-San Joaquin Delta. The Delta furnishes drinking water to 20 million people, irrigation water for 45 percent of the nation's fruits and vegetables, and support for 120 fish species.

Business, financial, and agricultural groups view the BDPP as the means to maintain a $750 billion economy, bring certainty and stability to water costs and water supply planning, and meet complex environmental requirements. To demonstrate their commitment, urban water users provided $30 million to fund research related to BDPP. Environmental groups achieved an important goal as collaborative, ecosystem management was adopted as the approach to a Bay/Delta solution.

f. **Coastal Sage Scrub/Gnatcatcher Program:** A collaborative effort, involving the Department of the Interior, the State of California, the counties of San Diego and Orange, and private landowners, is underway to protect the federally protected California gnatcatcher and many other sensitive species dependant upon the southern California coastal sage scrub ecosystem. Both counties should have Federally approved plans by the end of this year.

The California program marks a new approach to administering the Endangered Species Act that may serve as a model for species conservation elsewhere. The program puts the responsibility in the hands of State and local governments to plan for the protection of wildlife and biologically important habitats, thereby limiting the Federal role to oversight and plan approval. By planning for the habitats most critical to maintaining biodiversity, economic growth and development can proceed without serious disruption and conflict.

XIII. Environmental Protection Agency

a. **San Diego Sewage Treatment:** The Clean Water Act generally requires all sewage treatment plants to provide secondary treatment for sewage. Coastal cities have long argued that this level of treatment is not needed for sewage plants discharging to deeper ocean waters. In 1977, Congress gave cities the opportunity to apply for a waiver from these standards if they could show that the impacts would be environmentally acceptable.

In 1986, San Diego applied for a waiver, but it was rejected by the Reagan Administration because evidence of sewage contamination was found at diving sites off the coast -- a violation of State water quality standards. The City withdrew its waiver request in 1987, and began a major construction project to extend its sewage discharge pipe further into deeper ocean waters where sewage impacts would be reduced. Over half of the total cost of the project is being funded with federal dollars.

President Clinton signed legislation last year that allowed San Diego a unique second opportunity to seek a waiver from the secondary treatment requirements. The City has submitted an application and, based on the outfall extension, San Diego's efforts to reduce toxics in its wastewater, and other factors, EPA has indicated that it expects to approve San Diego's request for a waiver. In June, 1995, EPA made a "preliminary determination to approve" San Diego's plan to discharge partly treated sewage into the Pacific Ocean. It is expected that a draft permit will be issued in August, 1995.

Despite this, San Diego is seeking a permanent legislative exemption from secondary treatment. Speaker Gingrich has threatened to make this issue one of his first targets for "Corrections Day" legislation. San Diego does not want to reapply for the waiver every five years, and wants to escape the other requirements in the Ocean Pollution Reduction Act.

b. **Vehicle Inspection and Maintenance Program:** The Clean Air Act requires a number of areas in California to come up with improved vehicle inspection and maintenance (I/M) programs. Good I/M programs are one of the most cost-effective ways to reduce air pollution. Last March, after months of contentious discussions, EPA and the State of California agreed on a set of demonstration projects that would help the State design its I/M program. The results of those demonstration projects have been released. EPA is working closely with California to ensure that the demonstration project results are put to the most appropriate use in developing an I/M program. EPA expects California to submit their program by the end of June. EPA will try to be as flexible as possible with California, but disagreement may again arise.

c. **Grants:** California will receive over $135 million in water infrastructure financing from EPA this year. In addition, the State will receive approximately $37.8 million in grants to support other environmental programs.

EPA awards California more than $43 million per year in 16 continuing program grants. Grants are awarded to: CAL/EPA, which includes the Department of Toxic Substances Control, Water Resources Control Board, Air Resources Control Board, and the Department of Pesticide Regulation; and to eight local air districts (San Francisco Bay Area, Monterrey Bay, Sacramento, San Diego County, Santa Barbara County, South Coast, and Ventura County).

EPA also gave the state an additional $88 million in FY95 for the state revolving fund program which addresses state wastewater treatment needs. Special appropriations for construction of wastewater treatment facilities totaled $197.5 million in FY95. Grants were awarded to: $100 million to LA City and County, $45.5 million to San Diego, $40 million to San Francisco, $10 million to Mojave, and $2 million to Lake County.

d. **San Francisco Bay/Delta:** On December 15, 1994, EPA, along with Department of the Interior, the National Marine Fisheries Service and the State of California announced that after three years of development, the major parties reached an agreement on a comprehensive, coordinated package of actions to protect the water quality of the San Francisco Bay Delta while strengthening the State's long-term economic health. EPA has worked hard to develop consensus among various groups to resolve decades-old disputes involving water allocations in California. On the day of announcement, business leaders, state officials and agricultural, urban, and environmental groups joined federal officials in endorsing the package of actions designed to restore and protect the aquatic ecosystem of the San Francisco Bay and Sacramento-San Joaquin Delta while minimizing effects on agricultural and urban uses of the fresh water flowing into the estuary. The Agreement also meets the requirements of the Clean Water and Endangered Species Acts.

e. **Base Closure:** Of the closed or closing military bases being addressed under the President's "Fast Track Cleanup" Program, 20 are in California. For each fast-track base in California, a Cleanup Team was established, made up of representatives from the military service, California's Department of Toxic Substances Control, and EPA Region 9. Since the program was initiated in 1993, Region 9 has helped the military expedite cleanup, make better use of increasingly scarce Federal cleanup funds, and facilitate conversion of the bases to civilian use.

One of the most visible successes was the recent transfer of property at the Sacramento Army Depot to the City of Sacramento, which in turn brought computer manufacturer Packard Bell onto the former base. This would not have been possible if cleanup work had not been expedited to make property transfer possible. In other cases, such as Hunters Point Naval Shipyard, EPA has worked closely with the military to enable property to be safely leased for interim reuses while investigation and cleanup work proceeds. EPA is committed to ensuring the dual objectives of the Fast-Track Cleanup Program – facilitating reuse and protection of public health and the environment.

f. **Superfund Reform Initiative:** In February, as part of a Superfund reform announcement, 2,093 California sites were among the approximately 25,000 "no further remedial action planned" (NFRAP) sites removed from the official national inventory of hazardous sites (68% of the total number of sites in the State). It is important to note that a NFRAP decision does not mean there is no hazard associated with a given property; it means only that based on available information at the time of the evaluation, EPA decided not to take further action under Superfund. Because banks are often reluctant to make loans on properties that show up on the Superfund inventory (irrespective of whether they are polluted), removal of these NFRAP properties from the national inventory is an important first step in freeing up these properties for redevelopment.

Example: A housing development site in the City of Westminster was placed on EPA's National Priority List in November 1992. EPA is spending $20 million to clean 45,000 cubic yards of buried carcinogenic refinery sludge and contaminated soils by November 1995. EPA is taking care to expedite cleanup at the site so that residents are protected with a minimal intrusion into the integrity and well-being of the community. The site poses a challenge in that the excavation of the waste from residential properties forced the physical relocation of 45 multi-cultural families for periods up to 18 months. EPA used the services of three Vietnamese-speaking federal employees to facilitate the relocation of Vietnamese families and the restoration of their properties following the removal of the waste from their backyards. EPA -- through an intense community relations effort -- has been effective in earning strong support from the residents living around the contaminated site as well as the entire Westminster community. EPA is making quick, effective progress on the cleanup.

g. **Border Sewage Treatment -- Tijuana:** In FY1995, EPA received appropriations totalling $239.4 million to contribute to an international wastewater treatment plant for Tijuana, which will help remedy the longstanding problem of sewage contamination in the Tijuana River. The project is a collaborative effort involving EPA, the International Boundary and Water Commission (IBWC), the State of California, and the city of San Diego. San Diego is an eligible recipient of EPA project grants. EPA and IBWC are preparing a supplemental Environmental Impact Statement to analyze options for operating the plant while the secondary treatment facilities are constructed.

h. **Mexicali:** EPA is also working with local, state, and federal agencies in the U.S. and Mexico to address the New River sanitation problem. New River receives raw and partially treated domestic and industrial wastewater from Mexicali, Baja California, before flowing into Imperial County, California. EPA has received $47.5 million for FY1995 to contribute to initial efforts to address this problem and other border sanitation problems. The U.S. and Mexico are initiating facility planning efforts that will address improvements to Mexicali's existing wastewater collection and treatment system. EPA expects to see rapid and measurable improvement in New River water quality.

i. **AMERICORP:** EPA's National Service program involves six projects in low income communities with environmental justice concerns. One of the six projects, "Neighborhood Improvements: Lead, Radon & Urban Waters," is being implemented in California by the East Bay Conservation Corps (EBCC). The EBCC team has compiled information on radon and lead poisoning and distributed information to local community centers as well as churches, libraries and clinics throughout the East Bay with a focus on low-income minority residents. The team has also designed workshops and a coloring book targeting Oakland Unified School District students, and produced a radon and lead information flier.

The team's focus will move from lead and radon to urban creek restoration work in the coming months. The EBCC AmeriCorps team has attended training on creek restoration and performed restoration work at Seminary Creek in Oakland, where they removed debris and planted native plants. They also stabilized eroded banks at Wildcat Creek, in Oakland.

j. **Reducing Regulatory Barriers to Innovative Technologies:** The EPA-led Environmental Technology Initiative (ETI), launched by President Clinton in his first State of the Union address in 1993, is the most concerted public-private effort ever undertaken to stimulate environmental innovation.

ETI is advancing innovative environmental technology and is increasing exports of U.S. technologies abroad. Through ETI, EPA is helping small business move new technologies from the garage to the global marketplace; removing regulatory barriers, speeding cost-saving new technologies onto the market; and helping communities find cheaper, cleaner ways to achieve environmental goals.

Because the Environmental technology industry in California encompasses $20 billion a year in sales and exports, EPA is especially dedicated to supporting ETI efforts in the state. In May, EPA announced $1.4 million in environmental technology funds to various California groups. This funding will support activities such as: assisting entrepreneurs with obtaining permits and sites to test and demonstrate their new technologies for potential purchasers; helping small businesses identify the most cost-effective prevention or control technologies; and disseminating information and technical assistance.

XIV. Department of Defense

a. **Grants:** OEA Grants for the Quarter: $1.6M. Total Base Closure and Defense Industry Grants $15.9M

b. **Defense Contractors:** Northrop-Grumman Corporation's B-2 Division value of shipments is $2,966M, employment is 10,200. Northrop Grumman, El Segundo, builds portions of F/A-18 C/D (USN and FMS) and F/A-18 E/F (USN) for McDonnell Douglas Corp. 100% of business is military. Value of shipments $872 million in 1994 forecasted to drop to low of $362 million in CY2000 . Employment down from 14,361 in FY 90 to current 5,260 in FY 95. Employment forecasted to drop to 3,210 in FY 97. Lockheed Missiles and Space Co. includes Trident II D-5, MILSTAR and THAAD, value of shipments is $3,797M, 87% in support of DoD, employment is 15,174. Hughes Aircraft Corporation's Radar Systems Group, including radars for F-15 and F/A-18 aircraft, value of Shipments is $1,000M, 75% in support of DoD. McDonnell Douglas Corporation, Air Force's C-17 program, value of Shipments is $2,301M, employment is 9,250. National Steel & Shipbuilding Company, value of shipments is $500M, employment is 3,500.

c. **Military Transitions:** Activities in CA include six transition assistance sites at Army bases, eight sites on Navy bases, seven Air Force bases, and four Marine bases. There are 1,035 California employers registered with the DORS program, and 699 help-wanted ads for California on the TBB system. Finally, the San Diego Unified School District is actively implementing the Troops to Teachers program.

d. **Civil-Military Programs:** Civil-military programs active in this state include CareForce: Fourth Cliff (skills and crafts program taught by professional military craftsmen to "at risk" and disadvantaged youths) and Starbase (National Guard math& science program for K-12 students& teachers).

e. **Health Resources Sharing Program:** As a joint venture between the DoD and the Department of Veterans Affairs, David Grant Medical Center at Travis Air Force Base will be the site for a new 243-bed VA Medical Center for Northern California. Construction of this major facility is expected to be completed in 1998.

f. **Reserve Officers' Training Corps (ROTC):** Six institutions in California have Army, Navy, and/or Air Force ROTC programs on campus: UC Berkeley, UC Davis, UCLA, University of San Diego, San Diego State, and University of Southern California.

g. **Recruiting:** DoD met its FY 1994 recruiting goals. Ten percent of the nation's new recruits (16,603) came from CA. These recruits enlisted in the Army and Navy (5,528 and 5,494, respectively; 33 % in each), Marine Corps (3,081; 19 %), and the Air Force (2,500; 15 percent).

h. **Priority Placement Program:** Over 3,000 employees displaced from closing bases have found new jobs within DoD through the Priority Placement Program. Mare Island Naval Shipyard and local schools and colleges have developed outstanding programs to provide education and training for shipyard employees facing separation.

i. **El Segundo:** BRAC 93 directed the relocation of the Defense Contract Management District West, El Segundo, California from leased space to government-owned property (Long Beach Naval Shipyard, Los Angeles). BRAC 95 recommended the redirect of the BRAC 93 decision since the Navy has designated the Long Beach site for closure.

j. **Defense Logistics Agency's San Pedro California Fuel Supply Facility** - In March 1994, the Palos Verdes blue butterfly, listed by the federal government as an endangered species, was sighted here. The species had not been seen since 1983 and was presumed to be extinct. Although surrounded by the urban sprawl of Los Angeles County, the San Pedro facility's undisturbed natural habitat is considered a rare, well-managed biological gem. A protected area, it also is home to several other animals and plants on the endangered species list -- the result of the Agency's policy of managing facilities on an environmentally sound basis.

k. **Community Reinvestment/Base Reuse:**

Victorville: George AFB, located in Victorville was announced for closure in 1988, and closed in December 1992. Years of litigation by the City of Adelanto have precluded redevelopment of the facility. The City of Adelanto, the Victorville Valley Economic Development Authority (VVEDA), and the City of Victorville have finally agreed to drop all lawsuits. Adelanto does not get any land, water, or money from the settlement. Victorville has agreed to postpone (2 years) its attempt to wrest control of land north of the base from Adelanto. VVEDA Chairperson, Mary Turoci, has invitated Adelanto to join in the VVEDA organization. This major breakthrough should enable VVEDA to proceed with its redevelopment plans for the base.

Oakland: The Naval Supply Center will downsize as other Bay Area installations close. The Port of Oakland is proposing to reuse the Supply Center. Port representatives presented their 3-phase expansion plan which would eventually consume the entire facility. The President gave expansion a boost when he visited Oakland in 1993 and promised speedy processing of the paperwork to lease the facility to the Port. 200 new jobs have been created.

Sacramento: Mather AFB, located in Sacramento, was announced for closure in 1988, and closed in September 1993. It is a leading candidate for two major Federal facilities that will mean about 400 jobs, the largest infusion of employment since the base closed. The FAA is interested in Mather for consolidation of its northern California air control operations. The Federal Emergency Management Agency (FEMA) is considering Mather as a possible regional office. FEMA currently operates a temporary field office there.

Sacramento Army Depot (SAD): 485 acres. Facilities consist of 151 buildings (3,183,783 square feet) of an administrative/ warehouse nature. Closure will result in the loss of 334 military and 3,164 civilian positions. SAD closed on 3 March 1995. The Army retained 80 acres for reserve enclaves. The SAD Reuse Commission submitted a reuse plan in June 1994. The EIS/ROD was completed in January 1995. The Army entered into an interim lease with the City on 14 December 1994 allowing Packard Bell to relocate its Los Angeles based operation to the Depot. An economic development conveyance was approved allowing the Army to transfer the majority of the installation to the City on 3 March 1995. Packard Bell will create some 3000 direct jobs with salaries of $19,000 to $40,000 annually. The city will provide $26 million in assistance to Packard Bell. Additional reuse includes California Emergency Foodlink, California State University, Sacramento.

XV. Office of Personnel Management

a. **Regional Restructuring:** OPM is implementing a regional restructuring that will eliminate overhead positions in San Francisco and reduce three layers of management in the western region, without reducing customer service.

XVI. Federal Emergency Management Agency

a. **6 California Disaster Declarations (Fiscal Year 1993 to Present):**

DISASTER:	DR-979-CA, Severe Winter Storms.
DECLARATION DATE:	02/03/93
HUMAN SERVICES PROGRAM:	$ 4,770,200.00
INFRASTRUCTURE PROGRAM:	$164,566,830.00
HAZARD MITIGATION PROGRAM:	$ 566,250.00
TOTAL DOLLARS OBLIGATED:	$169,903,280.00
DISASTER:	DR-1005-CA, Wildland Fires.
DECLARATION DATE:	10/28/93
HUMAN SERVICES PROGRAM:	$ 7,146,412.00
INFRASTRUCTURE PROGRAM:	$ 64,071,246.00
HAZARD MITIGATION PROGRAM:	$ 0
TOTAL DOLLARS OBLIGATED:	$ 71,217,658.00
DISASTER:	DR-1008-CA, Northridge Earthquake.
DECLARATION DATE:	01/17/94
HUMAN SERVICES PROGRAM:	$1,420,230,068.00
INFRASTRUCTURE PROGRAM:	$1,463,156,351.05
HAZARD MITIGATION PROGRAM:	$ 0
TOTAL DOLLARS OBLIGATED:	$2,883,386,419.05
DISASTER:	DR-1038-CA, El Nino / Salmon Fisheries.
DECLARATION DATE:	05/01/94
HUMAN SERVICES PROGRAM:	$1,329,580.00
INFRASTRUCTURE PROGRAM:	$ 0
HAZARD MITIGATION PROGRAM:	$ 0
TOTAL DOLLARS OBLIGATED:	$1,329,580.00
DISASTER:	DR-1044-CA, Severe Winter Storms, Mudslides and Landslides.
DECLARATION DATE:	01/10/95
HUMAN SERVICES PROGRAM:	$ 69,142,771.00
INFRASTRUCTURE PROGRAM:	$ 31,124,758.00
HAZARD MITIGATION PROGRAM:	$ 0
TOTAL DOLLARS OBLIGATED:	$ 100,267,529.00

DISASTER:	DR-1046-CA, Severe Winter Storms, Mudslides and Landslides.
DECLARATION DATE:	02/13/95
HUMAN SERVICES PROGRAM:	$ 18,714,339.00
INFRASTRUCTURE PROGRAM:	$ 1,611,342.00
HAZARD MITIGATION PROGRAM:	$ 0
TOTAL DOLLARS OBLIGATED:	$ 20,325,681.00

- *Figures displayed represent total obligated dollars as of 6/6/95.*

XVII. United States Information Agency:

a. **Grants** awarded to state organizations for educational and cultural exchange programs in since October 1993: $8,340,445

b. **$ Amount spent in CA by foreign students** (academic year 93-94): $860,648,079

c. **Number of Fulbright Grants Awarded** (academic year 94-95):

U.S. Student program:	129
Senior Scholar program :	90
Teacher Exchange:	41

d. **$ Amount USIA spent on contracts** (FY 94): $10,572,964

e. **Los Angeles Foreign Press Center:** USIA's Los Angeles Foreign Press Center (FPC) serves nearly 300 resident foreign journalists in California, as well as foreign journalists in Washington, Oregon, Arizona, and Colorado. The Center serves as the first main stop for the ever-increasing number of Pacific Rim journalists who frequently travel to the West Coast to cover trade and high-tech issues. The Center assists an average of 40 visiting Japanese journalists per year, not to mention the hundreds more who are based in California and rely on Center assistance daily.

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Divider Title: **HAWAII**

Hawaii

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Divider Title: 24

ECONOMIC PROGRESS IN HAWAII UNDER PRESIDENT CLINTON

President Clinton's strategy to strengthen the economy is based on reducing the federal budget deficit, lowering trade barriers, and empowering workers, families, businesses and communities to succeed. Here are some of the results for Hawaii after the first 28 months of the Clinton Administration:

Improved Economic Conditions in Hawaii:

- The unemployment rate has ***RISEN*** from 4.7% to 5.2%.
- 5,000 jobs ***LOST*** in 27 months -- after 48,100 added during the previous 4 years combined.
- 4,900 private sector jobs ***LOST*** in 27 months -- after 36,600 added during the previous 4 years combined.
- 2,600 manufacturing jobs ***LOST*** in 27 months -- after 2,400 lost during the previous 4 years combined.
- The Help Wanted Index has increased 18%.
- Business failures have dropped 7% **per year**--after increasing 13% **per year** during the previous 4 years.
- Home sales have increased 7% **per year**--after decreasing 13% **per year** during the previous 4 years.
- Consumer confidence has increased 34%.

What President Clinton's Accomplishments Have Achieved for the People of Hawaii:

$10,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN HAWAII: By 1998, the national debt will be **over $600 billion** lower than was projected before the passage of the President's economic plan. That's about $10,000 of reduced federal debt for each family of four in Hawaii.

6 TIMES MORE HAWAII FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE: As a result of the expanded Earned Income Tax Credit, 41,263 working families in Hawaii will receive a tax cut. This compares to an increase in the income tax rate for only the 6,771 wealthiest taxpayers in Hawaii.

TAX CUT FOR 6,515 SMALL BUSINESSES IN HAWAII: The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from $10,000 to $17,500. About 6,515 small businesses in Hawaii are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

198,000 HAWAII WORKERS PROTECTED BY FAMILY AND MEDICAL LEAVE ACT: The Family and Medical Leave Act allows workers to take up to 12 weeks of unpaid leave for the birth of a child, to care for a sick family member, or if they become too sick to work. This law covers about 198,105 workers in Hawaii, and protects the jobs of 11,901 workers in Hawaii who are likely to use unpaid leave this year alone.

47,000 STUDENTS AND FORMER STUDENTS IN HAWAII WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS: Approximately 47,000 Hawaii borrowers -- 32,900 current borrowers and 14,100 new borrowers in the next few years -- can take advantage of the new direct student loan program by participating directly in the program or by consolidating guaranteed loans into direct loans. Some will benefit from lower interest rates, and all will benefit from more repayment options, including income contingent repayment.

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Divider Title: **25**

Hawaii

- **The Senate EITC proposal would increase taxes for 37,256 working families in Hawaii by an average of $217 in 1996.**
- **For 20,110 families with two or more children, the average tax increase in 1996 would be $269.**

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Neil Abercrombie	17,614	$25
2	Patsy T. Mink	19,641	28
Total		*37,256*	*54*

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Divider Title: **OREG.**

Oregon

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Divider Title: **26**

ECONOMIC PROGRESS IN OREGON UNDER PRESIDENT CLINTON

President Clinton's strategy to strengthen the economy is based on reducing the federal budget deficit, lowering trade barriers, and empowering workers, families, businesses and communities to succeed. Here are some of the results for Oregon after the first 28 months of the Clinton Administration:

Improved Economic Conditions in Oregon:

• The unemployment rate has dropped from 8.0% to 4.6%.

• Over twice as many new jobs **per year** -- 55,911 vs. 23,575 average during the previous 4 years. In 27 months, Oregon has added 125,800 total jobs, after adding 94,300 during the previous 4 years combined.

• Over 2 1/2 times as many new private sector jobs **per year** -- 53,244 vs. 18,900 average during the previous 4 years. In 27 months, Oregon has added 119,800 private sector jobs, after adding 75,600 during the previous 4 years combined.

• 15,100 new manufacturing jobs added in 27 months -- after 6,900 lost during the previous 4 years combined.

• New business incorporations have increased 12% **per year**.

• Bankruptcy filings have dropped 9% **per year** -- after increasing 9% **per year** during the previous 4 years.

• Business failures have dropped 23% **per year**--after increasing 25% **per year** during the previous 4 years.

• Home building has increased 17% **per year**.

• Homes sales have increased 11% **per year**.

What President Clinton's Accomplishments Have Achieved for the People of Oregon:

$10,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN OREGON: By 1998, the national debt will be **over $600 billion** lower than was projected before the passage of the President's economic plan. That's about $10,000 of reduced federal debt for each family of four in Oregon.

12 TIMES MORE OREGON FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE: As a result of the expanded Earned Income Tax Credit, 145,323 working families in Oregon will receive a tax cut. This compares to an increase in the income tax rate for only the 12,350 wealthiest taxpayers in Oregon.

TAX CUT FOR 18,286 SMALL BUSINESSES IN OREGON: The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from $10,000 to $17,500. About 18,286 small businesses in Oregon are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

431,000 OREGON WORKERS PROTECTED BY FAMILY AND MEDICAL LEAVE ACT: The Family and Medical Leave Act allows workers to take up to 12 weeks of unpaid leave for the birth of a child, to care for a sick family member, or if they become too sick to work. This law covers about 430,843 workers in Oregon, and protects the jobs of 25,883 workers in Oregon who are likely to use unpaid leave this year alone.

215,900 STUDENTS AND FORMER STUDENTS IN OREGON WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS: Approximately 215,900 Oregon borrowers -- 151,100 current borrowers and 64,800 new borrowers in the next few years -- can take advantage of the new direct student loan program by participating directly in the program or by consolidating guaranteed loans into direct loans. Some will benefit from lower interest rates, and all will benefit from more repayment options, including income contingent repayment.

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Divider Title: **27**

Oregon

- **The Senate EITC proposal would increase taxes for 144,128 working families in Oregon by an average of $233 in 1996.**
- **For 77,799 families with two or more children, the average tax increase in 1996 would be $295.**

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Elizabeth Furse	23,367	$36
2	Wes Cooley	32,423	50
3	Ron Wyden	30,335	47
4	Peter A. DeFazio	32,511	50
5	Jim Bunn	25,493	39
Total		*144,128*	222

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Divider Title: **28**

Update on Administration Activity in Oregon
June 23, 1995

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Update on Administration Activity in Oregon
June 23, 1995

I. Department of Treasury

a. **Reform of Federal Firearms Licenses:** Under the President's direction, the Bureau of Alcohol, Tobacco, and Firearms (ATF) has developed a program with local law enforcement officials to ensure that applicants for gun dealer licenses are engaged in legitimate business. Too often, firearms licensees who do not abide by the laws of the Federal, state, and local governments are the conduits for guns into the black market.

In Oregon, FFLs have been reduced from 5,199 in March 1993 to 4,321 in March 1995 due to enhanced ATF enforcement and inspections.

b. **EITC:** The Senate EITC proposal would increase taxes for 144,128 working families in Oregon by an average of $233 in 1996. For 77,799 families with two or more children, the average tax increase in 1996 would be $295.

II. Department of Commerce

a. **Minority Business Development Agency's (MBDA's) Minority Business Development Center in Portland** provided managerial and technical assistance to 197 minority clients throughout the state last year, resulting in over $2.1 million in loans and $34.6 million in procurement contracts.

b. **Cooperative Research and Development Agreement Between the National Institute of Standards and Technology (NIST) and Analogy, Inc. of Beaverton, OR**, has produced the first commercially available software for designing power electronic circuits containing devices called Insulated Gate Bipolar Transistors. As a result of the agreement, Analogy and Motorola's Semiconductor Products Sector have signed a $3 million three-year agreement to deliver analog simulation models which are expected to reduce the development time of semiconductor power devices from one year to seven months.

III. Department of Labor

a. **One Stop Grant:** Oregon received a $200,000 grant for Planning and Development as well as a $44,057 direct allocation for Labor Market Information.

b. **School-to-Work:** The State of Oregon and its local communities have received a significant amount of funding under the School-to-Work Opportunities Act to support education reform initiatives. In July 1994, the State of Oregon received $3.0 million for a School-to-Work State Implementation grant. In August 1994, the Oregon South Coast Region School-to-Work Opportunities Initiative received $428,814 for a Local School-to-Work Grant. In November 1994, the Oregon South Coast School-to-Work Opportunities Initiative received an additional $200,000 and the Roosevelt 2000 School-to-Work Opportunities Program in Portland received $359,909 in Urban/Rural School-to-Work grants.

c. **Worker Profiling:** Oregon continues to very successfully implement the worker profiling initiative on a statewide basis. Oregon was one of five states selected as a prototype and it was the first State to be fully operational. To date, over 25,000 UI eligible claimants have been profiled, 5,800 have been placed in the selection pool and more than 1,200 claimants have been referred to basic services. Customer feedback to the State indicates that the program has been very positively received by the profiled claimant population and the Employment and Training system in Oregon.

d. **Oregon Option:** The Oregon Option is a proposal for a multi-year demonstration project to redesign Federal, State, and local inter-governmental service delivery in several major areas. A memorandum of understanding was signed by Federal, State, and local partners in December 1994. One component of the Oregon Option, the Oregon Workforce Option, proposes achieving the State's vision of having the world's best educated and prepared workforce by developing a performance-based system of locally driven, integrated, customer centered employment and training service delivery, defined by benchmarks and performance measures. Representatives of the three primary Federal agencies (Labor, Education, and Health and Human Services) have met regularly with State and local partners to develop agreement on the proposal. This initiative will affect the JTPA, School-to-Work, JOBS, and Worker Profiling programs.

e. **Commercial Fishing Closure:** Uncertainty continues as to whether or not a 1995 salmon fishing season will be allowed in the State. In August of 1994, the President declared a major disaster due to the continuing effects of the "El Nino" weather system. As a result, the State of Oregon paid over $2.035 million in Federal Disaster Unemployment Assistance (DUA) benefits to 647 residents of the State that were unemployed due to the closure of the fishing season. Presently, the State Department of Fisheries is developing a projection of the State's salmon population to determine if a fishing season will be allowed for 1995. If early estimates of a significantly reduced 1995 salmon population are factual, the season will again be closed and it can be expected that the Oregon State Governor will petition the President for a new disaster declaration for residents unemployed as a result of the closure of the season.

f. **Adult Training:** In July Oregon will receive $12.2 million to assist approximately 5,200 low income adults. This program helps people acquire the basic and technical skills necessary to obtain new or better employment opportunities.

g. **Dislocated Workers:** In July Oregon will receive $11.3 million in formula funds to serve approximately 5,900 workers who have been or are likely to be dislocated from their jobs from mass layoffs/base and plant closings and need help to find or prepare for new employment.

The Department of Labor has been an active-participant in the Regional Community Economic Revitalization Team, part of the Clinton Timber Plan which is addressing the impact of the loss of timber-related jobs on the individual worker and his or her community. The State of Oregon has been provided $5.0 million in Title III discretionary funds to help nearly 1,000 workers prepare for new jobs. Additionally, the State has received nearly $15 million in worker retraining funds over the last two years. The State is requesting a supplemental $8.40 million of Title III discretionary funds to provide worker retraining opportunities for 1,220 laid-off timber and wood products workers. The State submitted a grant application on May 10, 1995, which has been paneled.

h. **Youth Training:** In July Oregon will receive $4.5 million in year-round youth funding and $9.7 million for the Summer Youth program to serve approximately 5,770 young low income Oregon youth. The year-round Youth Training Grants program is intended to help at-risk young people build their basic education skills and technical skills to help them obtain long-term employment. The summer program provides temporary employment and academic skills building to school kids during the summer.

i. **Job Corps:** There are five Job Corps centers in Oregon with a total of 1,406 slots. These residential centers, Angell, Aspingdale, Timber Lake Tongue Point, and Wolf Creek, provide basic and technical skills, unemployed, out-of-school youth who come from the most debilitating environments.

j. **Unemployment Insurance:** Oregon received $31.6 million for FY 1995 to administer the Unemployment Insurance program. Additional funding is provided as unemployment workload increases. In the 12-month period ending in April 1995, 137,000 individuals in Oregon received benefits.

k. **Employment Service:** The Oregon Employment Service will receive $9.3 million in 1995 to provide comprehensive employment services to individuals seeking work and employers seeking workers.

l. **Older Workers:** In July Oregon will receive $5.8 million for the Older Workers employment program. Grants are awarded to public and private nonprofit organizations and to units of local government to subsidize low-income persons aged 55 and over. In 1995, 1,330 people will benefit from this program.

m. **Migrant and Seasonal Farmworkers and Native Americans:** In July Oregon will receive $1.3 million for Migrant and Seasonal Farmworkers and $1.2 million for Native Americans. These programs target a special segment of the population who require training and employment assistance, but who cannot easily access the mainline JTPA programs.

n. **OSHA:** Primary responsibility for occupational safety and health in Oregon lies in Oregon-OSHA (OR-OSHA), an agency with Oregon's Department of Consumer and Business Affairs. Operating under a plan approved by the Secretary of Labor, the vast majority of workplace safety and health inspections, consultation and other outreach is accomplished by OR-OSHA. The state's fatality rate has decreased from a high of 137 in 1979 to 55 in 1994.

o. **Trade Adjustment Assistance (TAA):** The TAA program provides re-employment services and assistance (training, job search/job relocation allowances and income support) to workers certified by the Department as adversely affected by increased imports. In FY 1995 to date, 13 TAA certifications have been issued for Oregon, covering about 519 workers. The major certification was:

- Modoc Lumber Company in Klamath Falls, OR (165 workers)

Funds in the amount of $708,400 were granted to Oregon in FY 1995 (as of May 25, 1995) for TAA program activities.

p. **NAFTA-Transitional Adjustment Assistance (NAFTA-TAA):** The NAFTA-TAA program provides re-employment services and assistance (training, job search/job relocation allowances and income support) to workers certified by the Department as adversely affected by a shift of production by the workers' firm to Canada or Mexico or by increased imports from Canada or Mexico. Since January 1994, NAFTA-TAA certifications have been issued for 5 firms in Oregon, covering approximately 160 workers. Some of the major NAFTA-TAA certifications in Oregon included the following companies:

- Asten Dryer Fabrics, Inc. in Salem, OR (60 workers)
- Ansell Pacific, Inc. in Salem, OR (42 workers)

Funds of $76,922 were granted to Oregon for NAFTA-TAA program activities in FY 1994 and 483,920 in FY 1995 to date.

q. **Strike Activity:** FMCS reports a work stoppage at Crown Pacific in Portland, OR involving the Carpenters Local 2719 and Local 1017. Four hundred and fifty workers involved.

FMCS reports a work stoppage at Beaverton Bakery in Beaverton, OR involving the Bakery, Confectionery & Tobacco Workers Union Local 114. Fifty workers involved.

r. **Labor Market Developments:** Oregon's unemployment rate was 4.6 percent in April, substantially below the 8.0 percent rate at the January 1993 recessionary peak. The April rate matched the March rate as the lowest on record. After generally being at or above the U.S. average since 1979, the State's jobless rate is now more than one full percentage point below the national rate (which was 5.8 percent in April).

Nonfarm payroll employment has increased nearly every month of the past 2 years to an April level of 1.4 million. Almost three-fourths of the 126,000 increase since January 1993 has occurred in services (43,000), trade (32,000), and construction (18,000), although all major industry divisions have exhibited growth over the period.

s. **State Bill Introduced to Repeal Prevailing Wage Law:** H.B. 3020 would repeal the State prevailing wage law. The Legislature has no specified date for adjournment.

t. **State Bill to Increase Minimum Wage:** H.B. 2416 would increase the State minimum wage rate from $4.75 per hour to $6.35. For calendar years after 12/31/95, the minimum wage would be increased by an amount equal to the percentage increase in the Consumer Price Index for the prior year. Legislature has no specified date for adjournment.

u. **Jobless Figures Show State Economy Growing:** Oregon's unemployment rate held steady at 4.6 percent during April, a figure thought to be near the lowest in 25 years even in light of periodic changes in the way rates are calculated. Gains in construction and electronics continued the recent pattern of economic growth. Lumber and wood products experienced their third straight month of job declines.

IV. Department of Transportation

a. **Light Rail System in the Portland Area:** DOT--FTA has been very active in developing the light rail system in the Portland area, called "MAX." Public transportation is a major issue in this area as land use and environmental concerns continue to be a high priority for citizens of the area. FTA funds are distributed to the Tri-County Metropolitan (Tri-Met) Transportation District of Oregon. The first line of MAX, called the Banfield system has recently received $21.1 million for upgrading. Part of this funding will be to raise the platforms to accommodate new low floor wheelchairs to make the cars directly accessible for persons in wheelchairs: Tri-Met is the first transit agency in the U.S. to purchase these vehicles.The Westside Light Rail Project is a newer line on the MAX extending the system west from downtown Portland through a three mile tunnel into Beaverton. In December 1994, FTA amended its Full Funding Grant Agreement with Tri-Met, to extend the Westside project an additional 6.5 miles to downtown Hillsboro.

V. Small Business Administration

a. **Small Business Loans:** During FY 1994, SBA approved 538 loans to small businesses, accounting to $129 million. Counseling and training was provided to 30,861 individuals for and estimated 165,000 hours.

Congressional District #1 (Elizabeth Furse, D): During FY 1994, SBA guaranteed 131 loans to small businesses, amounting to $33 million; and SBA helped to provide counseling and training to 7,518 individuals.

Congressional District #2 (Wes Cooley, R): During FY 1994, SBA guaranteed 133 loans to small businesses, amounting to $21.5 million; and SBA helped to provide counseling and training to 8,279 individuals.

Congressional District #3 (Ron Wyden, D): During FY 1994, SBA guaranteed 94 loans to small businesses, amounting to $21.5 million; and SBA helped to provide counseling and training to 5,174 individuals.

Congressional District #4 (Peter DeFazio,D): During FY 1994, SBA guaranteed 113 loans to small businesses, amounting to $29.9 million; and SBA helped to provide counseling and training to 7,164 individuals.

Congressional District #5 (Jim Bunn, R): During FY 1994, SBA guaranteed 61 loans to small businesses, amounting to $14.2 million; and SBA helped to provide counseling and training to 2,707 individuals.

VI. Department of Education

a. **Grants:** As of June 8, OR has received 119 awards ($38.8m) so far in FY 95: 40 new awards ($26.7m) and 79 continuation awards ($12m). In FY 94, OR received 294 awards, totalling $170.9m. (NOTE: These figures do not include student financial aid or Impact Aid.)

b. **Goals 2000:** On January 26, OR became the first State to receive approval of its comprehensive State improvement plan. OR submitted a "pre-existing" plan, and is the first State eligible to receive second-year Goals 2000 funds, and waivers from regulations and statutory requirements that apply to other federal education programs. The Secretary joined Senator Hatfield in Salem for the announcement ceremony. OR's first year award was over $1 million, and its second year allocation is estimated to be $4.1 million.

c. **School Improvement / professional development:** OR conducted a combined grant competition for subgrants that included school improvement planning as well as programs for preservice and professional development. 12 subgrants were awarded in January, ranging from $40-50,000. Under the Oregon Education Act for the 21st Century, local districts had already completed or were in the process of completing comprehensive plans to improve student achievement, so Goals 2000 provided money to help implement those plans.

Some examples: Portland is creating a magnet program (see accomplishment section); the Marion County Consortium received $50,000 to integrate teacher preparation into their "school-based action research"; the Umatilla-Morrow schools, in partnership with Eastern Oregon State College received $46,000 to attract student teachers to rural areas; and the Douglas Educational Service District received $50,000 for an application, signed by 460 people representing school site council members in 13 districts, to create a databank of effective classroom activities and tools to help students reach high standards.

d. **Curriculum Frameworks:** In 1993, the Oregon Department of Education received a curriculum frameworks grant under the Eisenhower Program in the amount of $506,000 to develop and implement new curriculum frameworks in math and science. The frameworks represent world-class standards, develop and implement model guidelines for effective approaches to teacher education, licensure and recertification, pilot test two professional development programs, and evaluate the project.

e. **School-to-Work:** In July 1994, OR was awarded a School-to-Work Implementation Grant in the amount of $3 million. OR's implementation plan decentralizes activity, using regional workforce quality councils to implement State goals at the local level. School reform embedded in law institutes a two-tiered certificate system that is a standard of mastery for all students. Recruitment of employers is being led by OR's major statewide business organizations. The State will manage the system through a cross-functional working group slated to disband when funding ends, a strategy designed to institutionalize systemic reforms with in the separate State agencies. The School-to-Work Initiative in OR is closely involved in the Oregon Option/Oregon Benchmarks initiative that is currently being spearheaded by the National Performance Review office.

f. **Coos Bay Local Partnership Grant & Urban/Rural Opportunities Grant:** This project, spearheaded by the South Coast Workforce Quality Committee, builds on an existing tech prep base to better train and educate its students in an area experiencing an economic transformation away from traditional occupations. Emphasis is placed on career guidance, the provision of a skills certificate or diploma, and employers' participation in curriculum development. Tailored for the small rural district it serves, the project will create a cohesive system from existing school-to-work programs through excellent school-to-school collaboration, committed partnerships, use of program evaluations, student participation, and stable funding resources. Key members of the partnership include: Georgia Pacific Corporation, Southwestern Oregon Community College, Bay Area Hospital, and the South Coast Business Employment Corporation.

g. **Portland/Roosevelt Renaissance 2000 Urban/Rural Opportunities Grant:** Funds from this Grant are allowing Roosevelt Renaissance 2000 to maintain its aggressive pace of change in creating a comprehensive school-to-work transition model for all students.

h. **Title I:** It is estimated that OR will receive $65.1 million in Title I funds for FY 95 (1995-96 school year).

i. **Professional Development:** Under the Eisenhower program, states receive funds based on the size of their student enrollment and the number of poor students in the state. Until FY 95, Eisenhower funds were used only math and science programs. However, from FY 95 forward, funds may be used for any academic subject. OR's allocation for FY 95 is $3.3 million.

j. **Title VI:** Title VI (Chapter 2) is a formula grant program that allocates funds to the States to be used for 7 broad targeted assistance programs. For the 1994-95 school year, OR received $4.2 million (a 16% reduction from the previous year) in Title VI funds.

k. **School Dropout Demonstration Program:** Two school districts are receiving support for School Dropout Prevention grants. In FY 94, Eugene School District 4J received $255,000 to provide medical and dental health services necessary to make students ready to learn. School District No. 1 received $454,000 in FY 94 to provide expanded middle school alternative programs for at-risk students. Community High School 165 received $173,925, Chicago Public Schools received $475,617, Rockford Public Schools #205 received $453,230, the Board of Governors of State Colleges and Universities received $460,406, and the Youth Services Project, Inc. received $92,080.

l. **Safe and Drug-Free Schools:** It is estimated that OR will receive about $4.6 million in grants under the Safe and Drug-Free Schools program for FY 95. $3.6 million will go to the State Department of Education, of which 91% is distributed to 240 local districts on a formula basis for school programs focusing on drug and violence prevention. $1 million will go to the Governor's community-based efforts to prevent violence and drugs.

m. **Vocational Education:** OR received $13 million in FY 94 (for the 94-95 school year) under the Carl D. Perkins Vocational and Applied Technology Education Act. These funds may be used to fund State administration and leadership activities and to improve programs in local secondary and postsecondary programs. Perkins funds may also be used to provide for the full participation of special populations in programs by providing supplemental services necessary for them to succeed in vocational education. Tech-Prep programs in OR were supported by $1.2 million of the State's Perkins allocation.

n. **Adult Education:** OR received almost $2.5 million in FY 94 adult education funds. OR's allotment under the Basic Grants program was $2.4 million, and is used to improve the educational opportunities for adults, and to encourage the establishment of adult education programs that will: enable adult learners to acquire the basic educational skills necessary for literate functioning; provide adults with sufficient basic education to benefit from job training and retraining programs; and enable adults who so desire to continue their education to at least the level of completion of secondary school. OR received $74,000 for State Literacy Resource Centers.

o. **Special Education:** OR received almost $21.6 million in FY 95 Part B funds under the Individuals with Disabilities Education Act (IDEA) to fund the education of 52,288 children with disabilities aged 6-21. The State received $2.5 million in Section 619 preschool grants to assist State education agencies in providing special education and related services to 3,458 children with disabilities aged 3-5. The State also received $2.5 million in Part H funds to support programs for infants and toddlers aged 0-2 and their families. OR received almost $24.2 million in a Rehabilitation Services Act Basic Support Program grant in FY 94 to provide a wide-range of services to assist individuals with disabilities in preparing for and engaging in gainful employment.

p. **Direct Lending:** Only the University of OR participated in the first year of the Direct Student Loan program, covering 13% of the State's student loan volume. This year 18 schools are participating -- including the Portland State University and Oregon State -- with a total loan volume to date of over $132.4 million, or 57% of the 1993 total student loan volume for OR. (Figures as of March 1995.)

q. **Student Aid:** OR students are eligible for our student financial aid programs, including Pell Grants, and Work-Study Grants, and student loans. Awards are based on financial eligibility and go to students regardless of whether they attend an institution in OR.

VII. Department of Justice

a. **New Grants:** Since October 1, 1993, OR has received a total of $12,338,000 in Formula Grant funds and $2,784,551 in Discretionary Grant funds for a total of $15,122,551.

b. **Formula Grant Funds:** In FY 1994, OR received $4,445,000 in BJA Formula funds; $600,000 in OJJDP Formula funds; and $1,673,000 in OVC Formula Funds ($823,000 for Victim Assistance and $850,000 for Victim Compensation). To date in FY 1995, OR has received $5,620,000 in BJA Formula funds.

c. **Victims/Violence Against Women:** Victim Assistance in Indian Country through the OR Department of Justice was provided an FY 1994 grant of $20,500. OR received $426,000 for the STOP Violence Against Women grant in June 1995.

d. **Police Hiring Grants:** Oregon has received 107 awards totaling $13 million to hire 173 new police officers. The two largest awards went to Portland ($1.8 million for 25 officers) and the Oregon State Police ($1.5 million for 21 officers).

e. **Adjudication/Correction Alternatives:** In FY 1994, Washington County received $50,000 for Phase I Corrections Options to develop a plan for eliminating overcrowding of juvenile facilities by providing a range of alternatives for youthful offenders. Josephine County, a small, rural county, was awarded $50,000 in FY 1994 to develop a boot camp and day reporting center for juveniles.

f. **Criminal History Records:** The OR State Police received $122,800 from FY 1993 funds to improve quality and timeliness of criminal history records by using a live-scan fingerprint system. In FY 1994, they also were awarded $272,169 from FY 1990 funds to improve incident-based reporting.

g. **Gangs, Guns, and Youth Violence:** The Portland Summer Youth Gang Diversion Program involves at-risk youth in summer employment and intensive mentoring, received a $100,000 grant in FY 1994. Title V - Local Delinquency Prevention Program in OR was awarded $145,000 in FY 1995.

VIII. Department of Housing and Urban Devlopment

a. **New Homeowners** -- As a result of successful efforts to streamline the FHA to make homeownership more accessible for all Americans, FHA enjoyed one of its most successful years in 1994. In 1994, FHA insured single family loans for 10,184 families in Oregon, an increase from the 9,539 families served in 1993.

b. **Homeownership Savings to Oregon Families** -- Under a new rule effective May 24, 1995, millions of Americans will get credits or refunds from their home loan escrow accounts. Some homebuyers will save as much as $250 at closing. In Oregon, homeowners will get back $17.8 million from their escrow accounts.

c. **Empowerment Zone/Enterprise Communities:** Portland was designated an "urban enterprise community" under the Administration's Empowerment Zone/Enterprise Communities program, announced in December 1994. One other Oregon community also won "enterprise community" designations under the program:

d. **Community Development Block Grant (CDBG) (FY 1995):** Provides financial resources to state and local governments to carry out a wide range of community/economic development activities, including the renovation of housing and the provision of public facilities.

State of Oregon: $ 16,115,000
Total State: $ 40,444,000

e. **HOME Investment Partnership (FY 1995):** Provides funds to state and local governments for housing rehabilitation, renovation, and construction. Other eligible activities include short-term rental assistance and the provision of transitional housing for the homeless.

State of Oregon: $ 7,715,000
Total State: $ 15,052,000

f. **Emergency Shelter Grants (ESG)(FY 1995):** Provides funds to state and local governments for the renovation, rehabilitation, or conversion of buildings for use as emergency shelters. Funds may also be used for social services and homeless prevention efforts.

State of Oregon: $ 747,000
Total State: $ 1,335,000

g. **Housing Opportunities for Persons with AIDS (HOPWA)(FY 95):** Provides housing assistance and supportive services for low-income persons with HIV/AIDS and their families.

Total State: $ 723,000

h. **Supportive Housing for the Elderly (Section 202)(FY 1994)($4,251,200):** Oregon's $4 million will help build new housing and provide rental assistance for 70 older Americans

IX. Department of Health and Human Services

a. **New Grants:** In FY 1994, Oregon received $1.3 billion in grants, up from $1.1 billion in FY 1993.

b. **Childhood Immunization Initiative (CII):** Total immunization-related federal funds earmarked for Oregon in FY 1995 to date is $7.8 million. CII is an Administration initiative to improve immunization services for needy families and raise protective immunization levels in young children. The Vaccines for Children program, a component of the CII, provides, at no cost to public and participating private health care providers, federally purchased vaccine for eligible children. (Oregon reports that vaccine is being delivered to a portion of their VFC-enrolled providers, including all public health department clinics. Delivery of vaccine to all other VFC-enrolled providers not included in the states's delivery system will be accomplished once a mechanism for delivery is established.)

c. **Medicare:** Oregon received $1,443,639,000 in federal payments in FY 1993. Launched in 1966 as the federal health insurance program for the elderly, the program was expanded in 1972 to cover disabled persons and those with End Stage Renal Disease. During 1994, Medicare covered 456,354 beneficiaries in the state. Under Senator Domenici's proposal, Oregon stands to lose $2,915,000,000 ($2862 per beneficiary) between 1996 - 2002, while Congressman Kasich's House proposal would eliminate $3,213,000,000 ($3,135 per beneficiary).

d. **Medicaid:** Oregon received $593,186,573 in federal payments in FY 1993. Initially a program to pay for health care services for those eligible for welfare, Medicaid now serves primarily low-income mothers and children, the non-elderly disabled, and, as a supplement to Medicare and for long-term care, the elderly. During FY 1993, Medicaid covered 325,233 beneficiaries in the state. According to a study by the Urban Institute, California stands to lose $1,683,000,000 in federal Medicaid expenditures between 1996 - 2002 under the Senate proposal, which could leave an additional 49,954 - 103,717 persons without coverage in 2002. Under the House proposal, the state would lose $1,861,000,000 and leave 68,679 - 125,263 without coverage.

e. **Aid to Families with Dependent Children (AFDC):** Oregon will receive $175,103,749 during FY 1995, up from $173,234,100 in FY 1994. The largest cash assistance program serving needy families with children, AFDC provides transitional financial assistance to needy families with dependent children to cover basic needs such as food, shelter, and clothing. Under the House proposal, Oregon would lose $673 million over five years, denying 44,000 children of AFDC benefits. The Senate proposal would cost the state $225 million and deny benefits to 31,000 children.

f. **Job Opportunities and Basic Skills Training (JOBS) Program:** Oregon will receive $13,148,745 during FY 1995, up from $11,946,488 in FY 1994. The state uses these funds to provide job training, work experience, and education to help welfare recipients become self-sufficient. The program also offers support services, such as child care and transportation.

g. **Ryan White CARE Grants:** Oregon received over $4 million in FY 1995. States and urban areas use these funds to deal with the growing costs of care for uninsured or underinsured men, women, and children with AIDS.

h. **Head Start:** Oregon will receive an estimated $28,354,000 during FY 1995, up from $27,029,000 in FY 1994, which allowed the state to serve 4,638 children and families. Grants are awarded to local public, private and non-profit agencies to provide comprehensive developmental, health, social and parent involvement services to low-income, pre-school children and their families.

The Mid-Willamette Community Action Agency in Salem is the largest Head Start grantee in the state. Its FY 1994 funding level was $2,700,000, which supported an enrollment of 469 children and families. In FY 1995 it will receive a $103,000 funding increase.

i. **Family Preservation and Family Support Services:** Oregon will receive an estimated $1,227,055 during FY 1995, up from $510,957 in FY 1994. The funds help state child welfare agencies and eligible Indian tribes establish and operate integrated, preventive family preservation services and community based family support services for families at risk or in crisis.

j. **Child Care and Development Block Grants (CCDBG):** Oregon will receive $9,371,929 in FY 1995, up from $8,951,477 in FY 1994, to provide child care services for low-income families. Oregon has one of the nation's most effective information and referral systems to assist parents seeking affordable child care. The state has combined most federal day care programs into a single state program which is available to parents at accessible locations either through public aid offices or local information and referral centers.

k. **Child Support Enforcement Program:** Oregon will receive an estimated $16,724,907 during FY 1995, up from $14,848,604 in FY 1994. This federal/state partnership promotes family self-sufficiency by securing regular and timely child support payments. Child support enforcement efforts in the state have had the following results:

	FY 1994	FY 1993
Paternities Established:	5,828	5,830
Support Orders Established:	13,719	13,049
Absent Parents Located:	109,522	89,212

Out-of-Wedlock Births, 1992: 11,343
Out-of-Wedlock Births, 1991: 11,324

l. **Older Americans Act:** HHS allocates more than $12 million annually to Oregon to provide services to the elderly who are 60 and over. In FY 1994, the state assisted thousands of elderly to maintain their independence and avoid institutional care by using their grant to provide a host of home and community-based services, including home delivered meals, transportation, home health care, and assistance with chores.

m. **AFDC Welfare Reform.** Oregon is developing a proposal to combine waivers already approved in 1992 for its "JOBS Welfare Program" with currently pending waiver requests to increase vehicle asset limit and extend transitional child care that have been placed on hold. The proposal would also require full-time participation in the Community Work Experience Program after two years on AFDC, require all adults to seek work or participate in activities that will enhance capacity to work; allow continuous job search; impose progressive sanctions for non-compliance; extend transitional Medicaid to 24 months; and eliminate 100-hour rule and work history requirements for AFDC-UP.

X. Department of Agriculture

a. **Streamlining:** Approximately 7 of 36 current county-based field locations will be closed in FY95.

b. **Forest Service:** The Forest Service spent more than $623 million in FY94. (Oregon ranks first among all states for timber harvests and second for timber sales.)

c. **EZ/EC:** Participants in the program are eligible to receive technical assistance in strategic plan development, partnership building, and leadership development. Josephine County, Oregon, was selected for a Rural Enterprise Community.

d. **Food Safety:** The Food Safety and Inspection Service conducts inspection in 33 federally inspected meat plants, five poultry plants, and 62 combination meat and poultry plants in Oregon.

XI. Department of Energy

a. **Bonneville Power Administration.**The Department of Energy estimates it will spend over $1.8 billion in Oregon in FY 1995, primarily for operation and management of the Bonneville Power Administration.

XII. Environmental Protection Agency

a. **Grants:** Oregon will receive $12 million in water infrastructure financing from EPA this year. In addition, the state will receive approximately $17.9 million to support other environmental programs.

b. **Funding and Regulatory Rollback:** Although the State of Oregon has earned a national reputation for leadership in protecting its environment, a struggle between natural resource interests and environmentalists is now simmering in the current legislative session. With rural Republicans leading both the House and Senate, agriculture, forest, and mining interests are seeking to rollback environmental laws on land use, waste discharge permitting, and vehicle emissions.

Oregon is also facing difficult funding choices due to passage of an initiative to rollback property taxes. In order for the State Legislature to make up revenue losses for education, other budgets will need to be cut. It is too soon in the appropriations process to predict financial impacts on state environmental programs.

c. **Columbia River System Operation Review:** The Columbia River System Operation Review is being conducted jointly by the U.S. Army Corps of Engineers, the Bureau of Reclamation, and the Bonneville Power Administration. The Corps operates twelve of the fourteen hydroelectric dams in the Columbia River system, and the Bureau of Reclamation operates two of them.

The EPA participated in the Group's technical water quality work group. A review of these dams began in 1990. A draft environmental impact statement was prepared and released for public review in July 1994. The opinion of the work group, which was issued in March 1995, recommends major changes in the way the Columbia River system is operated, aimed at increasing the survival of salmon and sturgeon listed under the Endangered Species Act. These operational changes will result in increased levels of dissolved gases during the release of waters over the dams. The Final Environmental Impact Statement is expected to be released in late 1995.

d. **East Multnomah County Groundwater:** EPA proposed in May 1993, an area east of Portland be placed on the Superfund National Priorities List, a list of waste sites in the nation that are the highest priority for clean up. The area in Multnomah County has extensive solvent contamination of groundwater aquifers, and threatens to contaminate City of Portland's backup water supply.

Oregon's Congressional delegation has taken an active interest in the project since two parties potentially responsible for the pollution -- the Boeing Company and Cascade Corporation -- are under an enforcement order with the state of Oregon to complete the necessary site investigations. They are also urging EPA, with support of some local governments, to delay, defer or otherwise not finalize the Superfund listing, citing that a Superfund listing would have an adverse economic impact to existing businesses and impede major property development plans. EPA is working with the Members of Congress and local governments to achieve a solution that resolves the issue in the most environmentally and economically efficient way.

e. **State Nonattainment Areas (Air Quality):** The State of Oregon has seven areas that are not meeting air quality standards. They are out of attainment for particulate matter, five areas for carbon monoxide and one area for ozone (smog). Most nonattainment areas in Oregon now have clean air data and are eligible to be redesignated to attainment.

f. **Superfund Reform Initiative:** In February, as part of a Superfund reform announcement, 280 Oregon sites were among the approximately 25,000 "no further remedial action planned" (NFRAP) sites removed from the official national inventory of hazardous sites (71% of the total number of sites in the State). It is important to note that a NFRAP decision does not mean there is no hazard associated with a given property; it means only that based on available information at the time of the evaluation, EPA decided not to take further action under Superfund. Because banks are often reluctant to make loans on properties that show up on the Superfund inventory (irrespective of whether they are polluted), removal of these NFRAP properties from the national inventory is an important first step in freeing up these properties for redevelopment.

g. **President's Forest Plan:** Oregon (Western Cascades) is a key state affected by the President's Forest Plan.. EPA staff is actively involved in the Forest Plan's implementation, through activities such as:

h. **Watershed Timber Analysis:** EPA is helping to create scientifically-sound guidelines for protecting sensitive lands and managing cumulative impacts of timber harvest. EPA is helping to create the tools to expedite economic and environmentally sustainable timber sales.

i. **Community Economic Revitalization Team (CERT):** EPA Region 10 is a member of the CERT board along with other Federal agencies (SBA, DOL, HUD), state agencies, counties, cities, tribes, universities, environmental groups, and economic development councils. CERT is helping rural communities cope with economic change and transition, through actions such as grants and loans. The reinvention accomplishment of the Regional CERT earned this group the Vice President's Hammer award.

j. **Environmental Partnerships for Oregon Communities:** The Oregon Department of Environmental Quality has developed a new approach to assist small communities faced with complex and costly state and federal environmental regulations in the areas of drinking water, waste water treatment, and underground storage tank problems. Environmental Partnerships for Oregon Communities establishes multi-agency teams that help small communities understand environmental requirements; evaluate and prioritize mandates; and to negotiate enforceable agreements and schedules for achieving compliance.

k. **Willamette Geographic Initiative:** Oregon's Willamette River Basin is 11,500 square miles in size, representing 12% of the State's surface area and containing about 65% of the state's population. The basin supports forestry, agricultural, and residential land uses, encompassing over 5,000 miles of rivers-and tributaries. EPA's objective in the Willamette Basin is to accelerate a new style of comprehensive environmental management:

- Existing work groups are addressing riparian and aquatic habitat restoration; applying sustainability principles and approaches; assuring environmental justice through toxics exposure reduction; and ensuring drinking water protection through pollution prevention.
- The Willamette Basin contains more than a dozen designated "key watersheds" on federally-owned forest lands. Watershed analysis for restoration work is underway. An interagency team has been convened for this basin. This process does not address private lands.

  Through building a more personal, decentralized approach, EPA will increase its effectiveness and its efficiency at the local level.

l. **Tillamook Bay National Estuary Program:** The Tillamook Bay National Estuary Project -- part of EPA's National Estuary Program -- is a four-year, community-based effort to resolve environmental problems associated with Tillamook Bay and its watershed. In addition to providing funding, EPA staff are closely associated with the project, through serving on both the Management and Technical Advisory Committees with representatives from local, state and federal agencies.

XIII. Department of Interior

a. **Sportfish and Wildlife Restoration**: Oregon has received $26.4 million in Aid for Sportfish and Wildlife Restoration since 1993.

b. **Weyerhaeuser Agreement**: The Fish and Wildlife Service recently approved a Habitat Conservation Plan (HCP) with Weyerhaeuser Company that will allow continued timber harvest on Weyerhaeuser's Millicoma Tree Farm, a 209,000 acre tract of private forest in Coos and Douglas counties while providing long-term benefits for the northern spotted owl (Strix occidentalis caurina).

   The Millicoma HCP is designed to allow movement of spotted owls between three Federal old-growth forest areas in the vicinity known as "late-successional reserves." The need to provide dispersal habitat to allow the species to intermingle, breed, and begin to recover is considered critical to the survival of the owl.

   The Millicoma Tree Farm supports 300 Weyerhaeuser jobs as well as additional local contractors. The property also furnishes chips for paper-making operations and is a source of logs for other local mills. The agreement with Weyerhaeuser is the third that the Fish and Wildlife Service has approved with private timer companies.

c. **Salmon Runs in the Columbia:** Throughout the Pacific Northwest Region, the Fish and Wildlife Service, National Biological Service, and the Bureau of Reclamation are involved in numerous activities related to Endangered Species Act compliance with regards to salmon runs in the Columbia Basin.

Innovative, cost saving approaches are being utilized to implement program activities. For reservoir flow augmentation releases intended to help recover ESA listed Snake River salmon stocks, Reclamation has provided funding for a new study at Lake Roosevelt, Washington, to evaluate the effects of salmon water operations on bald eagle reproduction and foraging habits.

In the National Biological Service, scientists are conducting studies to determine how water quality and rearing techniques used in different hatcheries affect the ability of Pacific salmon to return to the Columbia and Snake Rivers to spawn.

d. **Jobs-in-the-Woods:** In a successful effort to cut red tape and provide jobs for timber-dependent communities as part of the President's Forest Plan, the Bureau of Land Management and the Forest Service requested a Federal procurement rule waiver, targeting "Jobs-in-the-Woods" funding to western Oregon counties affected by the downturn in the timber industry. The waiver allowed Federal contracts to be awarded to individuals and companies within an economically affected area rather than going through national competition as is usually required.

As part of President Clinton's Forest Plan and the accompanying Economic Adjustment Initiative, the BLM offered $5 million worth of forest and watershed restoration contracts through this program in 1994.

Approximately $11 million worth of "Jobs-in-the-Woods" contracts are scheduled to be awarded by the Bureau of Land Management in Oregon and Washington in 1995.

XIV. Federal Emergency Management Agency

a. **New Grants:** $3,914,342 in new awards will be provided to Oregon in FY 95, compared to $9,487,574 in FY 94. The decrease is due to large capital purchases in FY 94 under the Chemical Stockpile Emergency Preparedness program. These amounts exclude two years of funding for the disaster program ($9,745,360) and the food and shelter program ($3,368,890).

b. **Radiological Emergency Preparedness (REP) Program:** Morrow and Umatilla Counties and the State plan and exercise for response to a radiological emergency at Washington Nuclear Plant No. 2 (WNP-2), Richland, Washington. Funding for this program is provided primarily by the Utility-for States and counties within the 50-mile emergency planning zone of WNP-2. FEMA provides the coordination.

c. **Earthquake Mapping:** Earthquake mapping in the Portland metropolitan area will allow site specific earthquake damage mitigation measures. The FEMA funded study methodology should be applicable to other areas.

XV. United States Information Agency

a. **Grants** awarded to state organizations for educational and cultural exchange programs since October 1993: $816,478

b. **Amount spent in the state by foreign students** (academic year 93-94): $100,487,152

c. **Fulbright Grants Awarded** (academic year 94-95): U.S. Student program: 16; Senior Scholar program : 17

d. **Business for Russia:** The first round of Business for Russia internships has resulted in a number of business linkages. One such linkage occurred when a Russian interning in Portland, Oregon purchased and shipped foodstuffs to Russia and now is planning to return to Portland to buy a sawmill to ship to Siberia.

XVI. Department of Defense

a. **Military Transitions:** The Department of Defense has implemented an extensive array of services to assist separating military members, their spouses, and DoD civilian employees to secure successful employment in the private sector. The Army provides limited contracted transition assistance at Umatilla Army Depot in Hermiston, OR. Full service is available through the regional office at Fort Lewis, WA. There are 63 Oregon employers registered with Defense Outplacement Referral System (DORS), and 121 help-wanted ads for Oregon jobs listed on Transition Bulletin Board (TBB).

b. **Civil-Military Programs:** These programs are a Clinton Administration initiative which improves military readiness while helping to "rebuild America." The goal is to identify realistic "hands on" training opportunities for our military personnel which simultaneously assist with domestic needs here at home. Personnel are primarily drawn from the National Guard and the Reserves. In addition to the Youth Conservation Corps program described above, civil-military programs active in this state include Starbase (a program to expose inner-city school classes and their teachers to real-world applications of science and math; Portland and Klamath Falls), and Seapartners (an environmental education and outreach program (Portland).

c. **Reserve Officers' Training Corps (ROTC):** The University of Oregon is host to two ROTC programs (Army and Air Force); Oregon State supports three ROTC units (Army, Navy, Air Force).

d. **Recruiting:** Two percent of the nation's new recruits (2,556) came from Oregon in FY 1994. Represented across the Services, these recruits enlisted in the Army and Navy (719 and 878; 28 and 34 percent, respectively), Marine Corps (497; 20 percent), and the Air Force (462; 18 percent).

e. **Next Generation High Resolution & Color TFEL Displays:** This Technology Reinvestment Project TRP project will improve the efficiency/power consumption of thin film electro-luminescent (EL) displays and develop manufacturing capability for active matrix EL displays. DoD uses more EL displays than any other type of flat panel display due to their rugged nature, wide viewing angle range, and wide temperature operating range. DoDÕs demand for head-mounted displays is expected to grow significantly, and DoD will benefit from the economies produced by the industrial and consumer applications of this new capacity.

XVII. General Services Administration

a. **New Projects:** The state has only one new project under construction now, and that is the Federal Courthouse project in Portland.

b. **Fleet Management Center Reviews:** This is a cross-regional effort between the Northwest/Arctic Region and the Pacific Rim Region. Employees from each region participate in conducting reviews of Fleet Management Centers in the other region. This has lead to a productive exchange of ideas and information between operations.

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Washington

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ECONOMIC PROGRESS IN WASHINGTON UNDER PRESIDENT CLINTON

President Clinton's strategy to strengthen the economy is based on reducing the federal budget deficit, lowering trade barriers, and empowering workers, families, businesses and communities to succeed. Here are some of the results for Washington after the first 28 months of the Clinton Administration:

Improved Economic Conditions in Washington:

- The unemployment rate has dropped from 8.2% to 6.0%.
- In 27 months, Washington has added 131,300 total jobs or 58,356 **per year**. During the previous 4 years combined, Washington added 234,100 total jobs or 58,525 **per year**.
- 13% more new private sector jobs **per year** -- 51,244 vs. 45,300 average during the previous 4 years. In 27 months, Washington has added 115,300 private sector jobs, after adding 181,200 during the previous 4 years combined.
- 1,300 manufacturing jobs *LOST* in 27 months -- after 6,000 lost during the previous 4 years combined.
- New business incorporations have increased 11% **per year**.
- Bank lending has grown by almost $5 billion -- after growing by only $1.4 billion during the previous 4 years.
- Consumer confidence has increased 34%.
- Bankruptcy filings have dropped 8% **per year** -- after increasing 8% **per year** during the previous 12 years.
- Home sales have increased 8% **per year**.

What President Clinton's Accomplishments Have Achieved for the People of Washington:

$10,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN WASHINGTON: By 1998, the national debt will be **over $600 billion** lower than was projected before the passage of the President's economic plan. That's about $10,000 of reduced federal debt for each family of four in Washington.

8 TIMES MORE WASHINGTON FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE: As a result of the expanded Earned Income Tax Credit, 210,040 working families in Washington will receive a tax cut. This compares to an increase in the income tax rate for only the 27,491 wealthiest taxpayers in Washington.

TAX CUT FOR 28,617 SMALL BUSINESSES IN WASHINGTON: The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from $10,000 to $17,500. About 28,617 small businesses in Washington are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

768,000 WASHINGTON WORKERS PROTECTED BY FAMILY AND MEDICAL LEAVE ACT: The Family and Medical Leave Act allows workers to take up to 12 weeks of unpaid leave for the birth of a child, to care for a sick family member, or if they become too sick to work. This law covers about 767,575 workers in Washington, and protects the jobs of 46,112 workers in Washington who are likely to use unpaid leave this year alone.

239,000 STUDENTS AND FORMER STUDENTS IN WASHINGTON WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS: Approximately 239,000 Washington borrowers -- 167,300 current borrowers and 71,700 new borrowers in the next few years -- can take advantage of the new direct student loan program by participating directly in the program or by consolidating guaranteed loans into direct loans. Some will benefit from lower interest rates, and all will benefit from more repayment options, including income contingent repayment.

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Washington

- The Senate EITC proposal would increase taxes for 210,948 working families in Washington by an average of $227 in 1996.
- For 113,868 families with two or more children, the average tax increase in 1996 would be $285.

District	Representative	Families Facing EITC Tax Increase	Tax Increase 1996-2002 (millions)
1	Rick White	13,025	$20
2	Jack Metcalf	21,790	33
3	Linda Smith	25,276	38
4	Richard (Doc) Hastings	29,663	45
5	George R. Nethercutt, Jr.	31,191	47
6	Norman D. Dicks	26,737	40
7	Jim McDermott	29,976	45
8	Jennifer Dunn	11,608	17
9	Randy Tate	21,682	33
Total		*210,948*	*317*

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Update on Adminstration Activity In Washington
June 23, 1995

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X. Department of Agriculture

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Update on Adminstration Activity In Washington
June 23, 1995

I. Department of Treasury

a. **Reform of Federal Firearms Licenses:** Under the President's direction, the Bureau of Alcohol, Tobacco, and Firearms (ATF) has developed a program with local law enforcement officials to ensure that applicants for gun dealer licenses are engaged in legitimate business. Too often, firearms licensees who do not abide by the laws of the Federal, state, and local governments are the conduits for guns into the black market.

In Washington, FFLs have been reduced from 6,239 in March 1993 to 5,251 in March 1995 due to enhanced ATF enforcement and inspections.

b. **EITC:** The Senate EITC proposal would increase taxes for 210,948 working families in Oregon by an average of $227 in 1996. For 113,868 families with two or more children, the average tax increase in 1996 would be $285.

II. Department of Commerce

a. **EDA:** During FY 1995, the Economic Development Administration (EDA) awarded 8 grants totalling $1.5 million in Washington, primarily to mitigate the effects of changes in regulations governing the logging industry and salmon fishing. In December 1994, EDA granted the city of Bingen $1.1 million to assist in the construction, expansion and upgrade of the existing wastewater treatment plant. It is expected that within five years of implementation, the new treatment plant will save 400 existing jobs and create 112 new jobs.

b. **Telecommunications and Information Infrastructure Assistance Program:** The National Telecommunications and Information Administration's (NTIA's) Telecommunications and Information Infrastructure Assistance Program (TIIAP) contributes toward the development of the National Information Infrastructure for public institutions such as schools, hospitals, libraries, social service organizations, museums, and state and local governments. The FY 1994 grant awards included more than $440,000 for Washington to contribute to the development of the National Information Infrastructure. Approximately 2/3 of that amount will be given to Eastern Washington University, and will be used to create an information network linking public agencies and educational institutions from six counties.

c. **The Northwest Native American Business Development Center in Seattle**, funded through the Minority Business Development Agency, provides business assistance for bonding, bidding, estimating, financing, procurement, international trade, franchising, acquisition, mergers and joint ventures to increase opportunities in domestic and international markets. The Center has been funded since 1994 at a total cost of $410,000, providing assistance to 68 clients in obtaining financing totalling $613,549 and procurement contracts totalling $976,446.

III. Department of Labor

a. **One Stop Grant:** Washington received a $300,000 grant for Planning and Development and $74,761 as a direct allocation for LMI.

b. **School-to-Work:** The Yakima Mid-Valley School-to-Work Transition Program received a School-to-Work Urban/Rural School-to-Work grant for $435,571. This rural community is within the boundaries of the Yakima Indian Reservation and has a high migrant population. The grant is allowing local businesses and high schools to form partnerships to prepare students to succeed in a changing labor market by giving them a better understanding of the various career and educational options and opportunities that they otherwise may not consider.

c. **Dislocated Workers:** In July Washington will receive $21.7 million in formula funds to serve approximately 11,300 workers who have been or are likely to be dislocated from their jobs from amass layoffs/base and plant closings and need help to find or prepare for new employment.

The Boeing Company provided WARN notices, on March 24, 1995, to 5,000 workers, mostly white collar technicians and engineers. $4.4 million was approved by USDOL on April 21, 1995, to augment the existing $10.2 million Boeing Reemployment National Reserve Grant.

d. **Fishing:** Uncertainty continues as to whether or not a 1995 salmon fishing season will be allowed in the State. In August of 1994, the President declared a natural disaster due to the continuing effects of the "El Nino" weather system. As a result, the State of Washington paid over $5.778 million in Federal Disaster Unemployment Assistance (DUA) benefits to 1,692 residents of the State that were unemployed due to the closure of the fishing season. Presently, the State Department of Fisheries is developing a projection of the State's salmon population to determine if a fishing season will be allowed for 1995. If early estimates of a significantly reduced 1995 salmon population are factual, the season will again be closed and it can be expected that the Washington State Governor will petition the President for a new disaster declaration for residents unemployed as a result of the closure of the season.

e. **Adult Training:** In July Washington will receive $20.2 million to assist approximately 8,700 low income adults. This program helps people acquire the basic and technical skills necessary to obtain new or better employment opportunities.

f. **Youth Training:** In July Washington will receive $7.7 million in year-round youth funding and $16.5 million for the Summer Youth program to serve approximately 13,000 low income Washington youth. The year-round Youth Training Grants program is intended to help at-risk young people build their basic education skills and technical skills to help them obtain long-term employment. The summer program provides temporary employment and academic skills building to school kids during the summer.

g. **Job Corps:** There are four Job Corps centers in Washington with a total of 999 slots. These residential centers - Cascades, Columbia BAS, Curlew, and Fort Simcoe - provide basic and technical skills training to disadvantaged unemployed out-of-school youth who come from the most debilitating environments.

h. **Unemployment Insurance:** Washington received $60.8 million for FY 1995 to administer the Unemployment Insurance program. Additional funding is provided as the unemployment workload increases. In the 12-month period ending in April , 1995, 236,000 individuals in Washington received benefits.

i. **Employment Service:** The Washington Employment Service will receive $16.1 million in 1995 to provide comprehensive employment services to individuals seeking work and employers seeking workers.

j. **Older Workers:** In July Washington will receive $6.0 million for the Older Workers employment program. Grants are awarded to publid and private nonprofit organizations and to units of local government to subsidize low-income persons aged 55 and over. In 1995, 1,380 people will benefit from this program.

k. **Migrant and Seasonal Farmworkers and Native Americans:** In July Washington will receive $2.1 million for Migrant and Seasonal Farmworkers and $2.5 million for Native Americans. These programs target an special segment of the population who requre training and employment assistance, but who cannot easily access the mainline JTPA programs.

l. **Apprenticeship Services:** The National Apprenticeship Act of 1937 established an apprenticeship system for developing and expanding the nation's skilled worker resources. In FY 1994, Washington had 8,528 apprentices working/learning in 320 programs supported by 7 employers.

m. **OSHA:** Since 1974, Washington's Department of Labor and Industries has operated a state plan for occupational safety and health approved by the Secretary of Labor. That department conducts the majority of the workplace safety and health inspections and outreach programs in the state. Federal OSHA's jurisdiction in Washington is limited to maritime activities and federal reservations, such as Puget Sound Naval Shipyard, Fort Lewis, and McChord Air Force Base. Federal OSHA has recently completed a Voluntary Protection Program (VPP) evaluation of Johnson Controls, Inc. This employer is the service contractor at the Submarine Base Bangor in Bangor, Washington. Johnson Controls was found to have an excellent safety and health program and will hopefully become our first VPP site in Washington State.

IV. Department of Transportation

a. **Vancouver -Seattle Rail Service:** On May 26, 1995, Washington State and AMTRAK initiated rail service, after a 14-year hiatus between Vancouver and Seattle. The major outstanding issue is the unwillingness of the US Customs Service to provide for pre-clearance of U.S. bound passengers in Vancouver.

V. Small Business Administration

a. **Small Business Loans**: During FY 1994, SBA approved 1,157 loans to small businesses, accountin to $288 million. Counseling and training was provided to 30,745 individuals for and estimated 165,000 hours.

b. **Commerce and SBA Opens Export Assistance Center in Seattle:** On June 26, the Seattle Export Asssistance Center will open. This is the 4th such center to open in the nation

c. **Expansion of the Seattle Business Information Center (BIC):** The BIC concept was originated in Seattle and has become a major success for SBA throughout the US. The center provides the latest in technology to help small businesses get started and expand. BIC counseling and training are provided by the Service Corps of Retired Executives.

The Seattle BIC has just received $100,000 from Microsoft to expand its operation to include the latest in Microsoft Software and a variety to telecommunications services. Additional corporate support is being solidified which will make the BIC a model for the information superhighway.

VI. Department of Education

a. **Grants:** As of June 8, WA has received 103 awards totalling $46.6 million so far in FY 95. In FY 94, WA received 276 awards, totalling $254.4 million. (NOTE: These figures do not include student financial aid or Impact Aid.)

b. **Goals 2000:** WA received about $1.5 million for first-year planning activities in August, 1994. The first meeting of its State planning panel was February 9, 1995. The State intends to submit a comprehensive school improvement plan by January, 1996. The WA Goals 2000 plan will integrate the student learning requirements and assessments developed by the Commission on Student Learning, new teacher certification requirements, and other plans of the State Board of Education, State and federal program plans developed by the Superintendent, and plans developed by the Workforce training and Education Coordinating Board, the School-to-Work Transition Council, the Family Policy Council, and other groups involved in education planning. The State is currently working with teachers, administrators and college faculty to finalize a request for proposals to incorporate student learning goals and strategies into teacher preparation and staff development activities. Two grants of $100,000 each will be available for the 1995-96 school year. WA's estimated FY 95 allocation is $6.4 million.

Goals 2000 funds supported the award of 27 grants to local districts for efforts to improve student learning through strategic planning and preservice and professional development activities. Grants ranged from $6,500 for Granite Falls High School to match students with staff for career counseling to $90,000 for the Spokane School District to implement a strategic plan for improving performance by raising standards for all children. Most grants ranged from $20,000 - $30,000. The applications were evaluated by 18 readers who represented the diversity of the State.

Some examples: the *Stevens Elementary School in Seattle* will develop a site-based management system and further develop the school's 3 curriculum strands; *Poulsbo Junior High School in North Kitsap* will focus its grant on developing effective teaching techniques for special needs students and develop nontraditional ways of involving parents and the community in the school; the *Spokane School District* will use its grant to implement its standards-based education reform plan.

c. **School-to-Work:** The State of WA received a School-to-Work State Development grant in the amount of $280,000 on February 24, 1994. The period of performance for the Development Grant has been extended to June 30, 1995, and they have received an additional $248,888 of Development Grant funding. Governor Lowry has been the leader in developing the statewide School-to-Work vision. He issued an Executive Order on January 28, 1994 which established the Governor's Council on School-to-Work Transition. The Council has created five work groups, each responsible to address specific portions of system-building such as communications and local connections. They have granted several sub-grants to local partnerships with their Development Grant funds. Overall, the WA State School-to-Work Team has made great progress -- and has been extremely active during the past months.

In February, 1995, the State launched a public awareness campaign that was developed in partnership with the Employment Security, School-to-Work, and KCPQ-TV. The effort features School-to-Work as an exciting new direction in education that is creating choices and opportunities for youth aged 12-17. The series of 30 second Public Service Announcements will address changes in the workplace, successful business and student profiles, and feature several local School-to-Work projects.

Urban/Rural Opportunities Grant: Yakima County and the Tri-Valley Private Industry Council received an Urban/Rural grant to develop a school-to-work system in this rural part of WA.

d. **Title I:** It is estimated that WA will receive almost $97.4 million in Title I funds for FY 95 (1995-96 school year).

e. **Safe and Drug Free Schools:** Under the House-passed rescissions bill, WA would lose about $7.5 million in FY 95 grants under our Safe and Drug-Free Schools Program. For FY 95 the *State Education Agency* expects to receive $6 million to serve 938,314 children through a formula grant to local districts for school programs that focus on drug and violence prevention. Communities have chosen to reduce the risk factors associated with substance abuse and violence. Thus, WA's communities have chosen to provide services to reduce the need for more costly treatment and prevention efforts later in a person's life. Community mobilization activities are directed at preventing the spread of drug abuse and crime. The *Governor* is supposed to receive $1.5 million in FY 95 to provide funding for community-based programs, as well as statewide organizations and replication of successful drug abuse prevention programs. Efforts utilizing Governor's funds have been directed toward community/business partnerships in targeting drug and alcohol abuse among high-risk youth. Additionally, training has been offered to local businesses in such programs as drug-free workplace and substance abuse assistance programs.

f. **Professional Development:** Up until FY 95, Eisenhower funds were used only for math and science programs. Due to changes in our legislation, however, from FY 95 forward Eisenhower program funds may be used for any academic subject. WA received $4 million in FY 94, and its FY 95 allocation is $5.4 million.

g. **Title VI:** WA received $7.3 million in Title VI (Chapter 2) funds for FY 94. This was a decrease of approximately 15%. Of these funds, 20% was retained at the State level and 80% was distributed to local districts.

h. **Vocational Education:** WA received $20.3 million in FY 94 (for the 94-95 school year) under the Perkins Vocational and Technology Education Act. Funds may be used for State administration and leadership activities and to improve programs in secondary and postsecondary programs. Funds may also be used to provide for the full participation of special populations in programs by providing supplemental services necessary for them to succeed in vocational education. *Tech-Prep* programs in WA were supported by $1.9 million of the State's Perkins allocation.

i. **Adult Education:** WA received almost $3.7 million in FY 94 adult education funds. WA's allotment under the *Basic Grants program* was almost $3.6 million, and is used to improve the educational opportunities for adults, and to encourage the establishment of adult education programs that will: enable adult learners to acquire the basic educational skills necessary for literate functioning; provide adults with sufficient basic education to benefit from job training and retraining programs; and enable adults who so desire to continue their education to at least the level of completion of secondary school. WA received almost $110,000 for *State Literacy Resource Centers*.

j. **Special Education:** WA received almost $40 million in FY 95 *Part B* funds under the Individuals with Disabilities Education Act (IDEA) to fund the education of 96,667 children with disabilities aged 6-21. The State received $8.3 million in *Section 619 preschool grants* to assist State education agencies in providing special education and related services to 11,746 children with disabilities aged 3-5. The State also received $4.7 million in *Part H* funds to support programs for infants and toddlers aged 0-2 and their families. WA received almost $34.4 million in a Rehabilitation Services Act Basic Support Program grant in FY 94 to provide a wide-range of services to assist individuals with disabilities in preparing for and engaging in gainful employment.

WA has 5 *discretionary grants for disability and rehabilitation research* for a total of $1.8 million. It also has 36 discretionary grants, totalling $4.9 million, for *rehabilitation services* for people with disabilities. The State has also received 43 discretionary grants for *special education programs* for a total of $7 million.

k. **Direct Lending:** Only 1 school in WA participated in the first year of the Direct Student Loan program -- the University of Washington. This year 15 schools are participating with a total loan volume to date of almost $103.2 million, or 36% of the 1993 total student loan volume for WA. (Figures as of March, 1995.)

l. **Student Aid:** WA students are eligible for our student financial aid programs, including Pell Grants, and Work-Study Grants, and student loans. Awards are based on financial eligibility and go to students regardless of whether they attend an institution in WA.

VII. Department of Justice

a. **New Grants:** Since October 1, 1993, WA has received a total of $23,370,809 in Formula Grant funds and $17,841,163 in Discretionary Grant funds for a total of $41,211,972.

b. **Victims/Violence Against Women:** WA received a $426,364 S*T*O*P Violence Against Women grant in June 19955. OVC provided $45,125 to the State of Washington for Victim Assistance in Indian Country which provides funds from the Crime Victims Fund to Native American Indians and others who are victims of Federal crime in Indian Country in areas that fall under the jurisdiction of the federal government.

c. **Police Hiring Grants:** Washington has received 171 awards totaling $22 million to hire 301 new police officers. The two largest awards went to Spokane ($1.9 million for 26 officers) and Seattle ($1.7 million for 24 officers).

d. **Comprehensive Programs:** In FY 1994, the City of Seattle Police Department received Weed and Seed funding totalling $600,000 to coordinate the delivery of criminal justice and social services. The Weed and Seed initiative includes a National Service component which received a grant of $311,046 for the implementation and activities of the National Service program which will support 30 AmeriCorps participants. The Seattle Police Department also received $1,975,750 in FY 1995 for Phase II of the Comprehensive Communities Program to develop community partnerships between law enforcement and other agencies.

e. **Adjudication/Correction Alternatives:** The Spokane County Board of Commissioners received $20,618 for the development of a felony drug court as a correctional option.

f. **Gangs, Guns, and Youth Violence:** The City of Seattle received $246,000 for a program, entitled Positive Action for Southwest Seattle, an experimental program, that will focus on high-risk youth in an impoverished neighborhood. OJJDP, in FY 1994, provided $149,981 to the Washington Office of the Attorney General for a program on Investigative Case Management for Missing Children Homicides, to improve investigative procedures and solve child murder and serial child murder investigations more effectively. OJJDP provided the Washington Department of Social and Health Services $257,000 in FY 1994 in Title V Local Delinquency Prevention funds. OVC provided $100,000 to the South Puget Sound Intertribal Agency for the Children's Justice Act Model Project, to improve the investigation and prosecution of child physical and sexual abuse cases. BJA provided $114,175 to the Skokomish Indian Tribe for the development of a Tribal Law Enforcement Unit.

VIII. Department of Health and Human Services

a. **New Grants:** In FY 1994, Washington received $2.6 billion in grants, up from $2.4 billion in FY 1993.

b. **Childhood Immunization Initiative (CII):** Total immunization-related federal funds earmarked for Washington in FY 1995 to date is $10.5 million. CII is an Administration initiative to improve immunization services for needy families and raise protective immunization levels in young children. The Vaccines for Children program, a component of the CII, provides, at no cost to public and participating private health care providers, federally purchased vaccine for eligible children.

c. **Medicare:** Washington received $2,166,637,000 in federal payments in FY 1993. Launched in 1966 as the federal health insurance program for the elderly, the program was expanded in 1972 to cover disabled persons and those with End Stage Renal Disease. During 1994, Medicare covered 664,374 beneficiaries in the state. Under Senator Domenici's Medicare proposal, Washington stands to lose $3,131,000,000 ($2,098 per beneficiary) between 1996 - 2002, while Congressman Kasich's House proposal would eliminate $3,377 ($2,246 per beneficiary).

d. **Medicaid:** Washington received $1,249,777,515 in federal payments in FY 1993. Initially a program to pay for health care services for those eligible for welfare, Medicaid now serves primarily low-income mothers and children, the non-elderly disabled, and, as a supplement to Medicare and for long-term care, the elderly. During 1994, Medicare covered 633,364 beneficiaries in the state. According to a study by the Urban Institute, Washington stands to lose $3,861,000,000 in federal Medicaid expenditures between 1996 - 2002 under the Senate proposal, which could leave an additional 55,997 - 155,704 persons without coverage in 2002. Under the House proposal, the state would lose $3,766,000,000 and leave 90,724 - 190,884 persons without coverage.

e. **Aid to Families with Dependent Children (AFDC):** Washington will receive $426,404,560 during FY 1995, up from $418,558,428 in FY 1994. The largest cash assistance program serving needy families with children, AFDC provides transitional financial assistance to cover basic needs such as food, shelter, and clothing. Under the House proposal, Washington would lose $1,301,000,000 billion over five years, denying 107,000 of AFDC benefits. The Senate proposal would cost the state $589 million and deny benefits to 77,000 children.

f. **Job Opportunities and Basic Skills Training (JOBS) Program:** Washington will receive $31,585,343 during FY 1995, up from $18,151,861 in FY 1994. The state uses these funds to provides job training, work experience, and education to help welfare recipients become self-sufficient. The program also offers support services, such as child care and transportation.

g. **Ryan White CARE Grants:** Washington received over $7 million in FY 1995. States and urban areas use these funds to deal with the growing costs of care for uninsured or underinsured men, women, and children with AIDS.

h. **Head Start:** Washington will receive $51,681,000 during FY 1995, up from $45,968,000 in FY 1994, which allowed the state to serve 8,260 children and families. Grants are awarded to local public, private, and non-profit agencies to provide comprehensive developmental, health, social and parent involvement services to low-income, pre-school children and their families.

The Puget Sound Educational Service District, located in Seattle, is the largest Head Start grantee in the state. Its FY 1994 funding level was $6,983,000, which supported an enrollment of 1,264 children and families. In FY 1995 it will receive a $268,000 funding increase.

i. **Family Preservation and Family Support Services:** Washington will receive $2,254,046 during FY 1995, up from $938,606 in FY 1994. The funds help state child welfare agencies and eligible Indian tribes establish and operate integrated, preventive family preservation services and community based family support services for families at risk or in crisis.

j. **Child Care and Development Block Grants (CCDBG):** Washington will receive $15,016,025 during FY 1995, up from $14,342,361 in FY 1994, which allowed the state to assist in the day care of approximately 98,000 low-income children. CCDBG funds have been used for grants to businesses and eligible child care providers to assist in start-up and expansion of child care programs for employees' children. Twenty-two Tribal nations in Washington state receive CCDBG funds as part of an effort to support their members who are working and trying to be self-sufficient. Approximately one and a half million dollars of federal ACF dollars go each year to the tribes for subsidized child care.

k. **Child Support Enforcement Program:** Washington will receive $39,385,444 during FY 1995, up from $34,565,858 in FY 1994. This federal/state partnership which promotes family self-sufficiency by securing regular and timely child support payments. Child support enforcement efforts in the state have had the following results:

	FY 1994	FY 1993
Paternities established	13,401	12,539
Support orders established	38,046	35,897
Absent parents located	598,701	601,756
Out-of-Wedlock Births:	1992 - 20,116	
	1991 - 19,861	

l. **Older Americans Act:** HHS allocates approximately $13.5 million annually to Washington state to provide services, to the elderly who are 60 and over. In FY 1994, the state assisted thousands of elderly to maintain their independence and avoid institutional care by using their grant to provide a host of home and community-based services, including transportation, home delivered meals, home health care, and assistance with chores.

IX. Department of Housing and Urban Development

a. **Single Family Homeowners:** As a result of successful efforts to streamline the FHA to make homeownership more accessible for all Americans, FHA enjoyed one of its most successful years in 1994. *In 1994, FHA insured single family loans for 25,367 families in Washington, an increase from the 22,833 families served in 1993.*

b. **Homeownership Savings to Washington Families:** -- Under a new rule effective May 24, 1995, millions of Americans will get credits or refunds from their home loan escrow accounts. Some homebuyers will save as much as $250 at closing. *In Washington, homeowners will get back $29.7 million from their escrow accounts.*

c. **Empowerment Zones/Enterprise Communities:** The following is the breakdown of Washington communities that were selected to participate in the Administration's Empowerment Zone program.

Lower Takoma County	Rural EC
Seattle	Urban EC
Tacoma	Urban EC

d. **Transforming the Nation's Worst Public Housing through HOPE VI (FY 1995)($47,100,000):** Seattle received $47 million to demolish and redesign Holly Park, a row of aging apartments built during World War II to house defense workers and their families. Holly Park, which currently houses 2,200 residents, will be demolished next spring. In its place will be 1,200 units of new, quality housing that will attract working families and form mixed-income neighborhoods. HOPE VI, the Administration's aggressive response to the worst public housing developments in the country, provides maximum federal commitments but minimum federal control to dramatically reshape the physical and social environments of public housing communities.

e. **Fighting Crime through the Administration's Operation Safe Home Initiative:** Operation Safe Home is the Administration's aggressive interagency effort to combat violent crime and white collar crime in public and assisted housing. Between February 1994 and February 1995, HUD, Justice, Treasury and ONDCP joined forces with state and local law enforcement officials and public housing authorities across the country in arresting of over 3,000 individuals in a variety of charges, most notably drug and weapons violations. Many of these arrests resulted from over 400 search warrants that these interagency teams served. From these arrests and searches, over $1.5 million in drugs,

$480,000 in cash and 335 weapons were seized by the joint teams. There are ongoing Operation Safe Home activities in Seattle, Tacoma, and Puget Sound.

f. **Job Creation through HUD's Section 3 Technical Assistance Initiative**: Tacoma and King County (which includes Seattle) are two of the 29 sites benefiting from the Section 3 Technical Assistance (TA) Initiative. This Initiative, announced by the Administration in May 1994, is a national effort to marshall technical resources -- Federal staff, expertise and information -- to link low-income residents with jobs and other economic opportunities generated by HUD-assisted housing and community development programs (see Success Stories).

g. **Economic Development Initiative (EDI)(FY 1995)($2,648,000):** On June 15, 1995, HUD announced 70 awards totalling nearly $500 million in grants and federal loan guarantees to spur economic development and job creation in 64 cities. This year's EDI will create 20,000 jobs and leverage over $1 billion in public and private investments. Washington awardees include: Kitsap County, Seattle, Spokane, and Tacoma.

Total EDI Grant in Washington:	$ 2,648,000
Total Federal Loan Amount:	$37,950,000

h. **Community Development Block Grant (CDBG)(FY 1995):** Provides financial resources to state and local governments to carry out a wide range of community/economic development activities, including the renovation of housing and the provision of public facilities.

State of Washington:	$ 15,954,000
Total State:	$ 68,978,000

i. **HOME Investment Partnership (FY 1995)**: Provides funds to state and local governments for housing rehabilitation, renovation, and construction. Other eligible activities include short-term rental assistance and the provision of transitional housing for the homeless.

State of Washington:	$ 8,933,000
Total State:	$ 24,015,000

j. **Emergency Shelter Grants (ESG)(FY 1995)**: Provides funds to state and local governments for the renovation, rehabilitation, or conversion of buildings for use as emergency shelters. Funds may also be used for social services and homeless prevention efforts.

State of Washington:	$ 941,000
Total State:	$ 2,266,000

k. Housing Opportunities for Persons with AIDS (HOPWA)(FY 1995)($1,560,000): Provides housing assistance and supportive services for low-income persons with HIV/AIDS and their families.

X. Department of Agriculture

a. **Loans/Grants**: As part of the Northwest Economic Adjustment Initiative and USDA's Community Facility Program, the USDA Rural Economic and Community Development Service has obligated $600,000 for a much-needed health care facility for the Squaxin Island Tribe in Mason County.

b. **Streamlining:** Approximately 15 out of 49 current county-based field locations will be closed in Fiscal Year 1995.

c. **AmeriCorps:** Four USDA AmeriCorps members in Washington are working with local communities on issues, such as creating housing opportunities, micro-enterprises, resource packaging, and removing governmental barriers.

d. **Exports:** USDA Animal and Plant Health Inspection Service personnel, Washington state officials, and apple industry representatives last year facilitated the export of Red and Golden Delicious apples to the People's Republic of China (PRC)--a historic development, as the PRC previously prohibited the importation of fresh fruits and vegetables from any country where Mediterranean fruit flies are found. The Washington apple industry is enthusiastic about this new market, with most of the state's growers and more than 80 packing facilities planning to export to China. USDA officials are optimistic that successful exportations of peat- and disease-free apples will ultimately lead to the opening of the Chinese market for additional agricultural commodities.

e. **EZ/EC Program:** Participants in this program are eligible to receive technical assistance in strategic plan development, partnership building, and leadership development. Washington was selected for a Rural Enterprise Community, located in Yakima County.

f. **Research:** USDA's Agricultural Research Services projects are in Prosser (research on genetics, diseases, and production of potatoes, alfalfa, beans, and peas); Pullman (research on animal virus diseases, wheat and grain diseases and genetics, soil and water conservation); Wenatchee (research on improved quality and disease protection of tree fruits); Yakima (research in insects pests of apple, pear, and potato, and insect quarantines on fruit for export).

XI. Department of Energy

a. **Hanford Nuclear Site:** The 560-square-mile Hanford Site, formerly a component of the Nation's nuclear weapons complex, is currently the Department's largest remediation project. Other activities at Hanford include nuclear and hazardous waste management; interim storage of high-level nuclear waste for ultimate disposal; and environmental management, which accounts for nearly $1.4 billion, or 25 percent of the total Environmental Management budget for 1995.

The TriParty Agreement, signed in 1989 by the Department of Energy, the Washington State Department of Ecology, and the Environmental Protection Agency (amended in May 91 and January 94), established enforceable milestones to keep the remediation program at Hanford on schedule through the year 2024. This was the first agreement renegotiated during the Clinton Administration, resulting in savings of more than $1 billion. The Department is now renegotiating a second portion of the agreement to focus appropriate efforts on the most serious risks and to make the cleanup more cost-effective.

b. **Bonneville Power Administration:** The Bonneville Power Administration, located in Portland, Oregon, is one of the Department's five Federal power marketing administration. It serves Washington, Oregon, Idaho, and western Montana. Bonneville markets about one-half of the electric energy produced in the Pacific Northwest. Currently, there are four main issues facing Bonneville:

Endangered Salmon issue -- The costs of restoring depleted salmon is a major factor in defining whether Bonneville continues to sell power in the wholesale market. The annual investment estimate for FY 96 for these programs, including purchase power and foregone revenues, ranges from about $280 to $355 million, depending on water conditions. This does not take into account additional fish mitigation measures recently proposed, under the 1995 Biological Opinion of the National Marine Fisheries Services, which would result in additional fish costs of about $100 million in FY 95, $140 million in FY 96, $165million in FY 97 and $188 million in FY 98.

Market Place Competition -- Bonneville must first succeed as a business if it is to serve its wide-ranging mission and meet its federal responsibilities. To stay competitive, Bonneville has taken action to aggressively control costs, improve services, and increase revenues from a variety of sources. Some of the cost cuts, including conservation and renewable resources, are controversial.

The Bonneville Appropriations Refinancing Act (Debt buyout) - The legislation (S. 92 and H.R. 599), proposed by the Administration, would (1) refinance Bonneville's appropriated debt; (2) produce $100 million in benefits for the Treasury, $45 million within the five year scoring window, and (3) reduce the possibility of future rate increases thereby enhancing Bonneville's competitiveness. H.R. 799 is similar buy would add study requirements.

Government Corporation Status -- As part of the Administration's FY 96 proposal to reinvent the government and the Secretary's Strategic Aligbnment Initiative, legislation is being proposed to make Bonneville a wholly-owned government corporation under the Government Corporation Act. This would reduce Bonneville's costs by cutting overhead. The Administration is not proposing the sale of Bonneville because of its central position in power supply in the Pacific Northwest, its significant environmental role, and because it is expected to earn more than purchasers would pay the government for it.

XII. Department of Interior

a. **The President's Forest Plan**: When President Clinton took office, management of the public forests of the Pacific Northwest and Northern California was in the hands of a federal district judge, who had issued an injunction against timber harvests because of repeated failures by the Bush Administration to follow existing environmental laws. The primary problem was preservation of habitat for the threatened northern spotted owl.

In April 1993 the President and Vice President convened a Forest Conference in Portland, Oregon to hear from stakeholders in the dispute about what the government should do to get forest management out of the hands of judges and back into the hands of resource managers, so as to help the thousands of people who make their living out of the forests.

In July, 1993, the President released his Forest Plan. In late 1994, the plan was approved by the federal judge. Now timber is being harvested, habitat for threatened and endangered species is being preserved, and hundreds of millions of dollars in federal assistance is flowing to Washington and Oregon to help retrain timber workers who lost their jobs.

b. **Easing Endangered Species Act Restrictions on Private Landowners**: Following the President's orders at the conclusion of the Forest Conference, the Interior Department developed a special rule, under Section 4 (d) of the Endangered Species Act to ease restrictions on private landowners which were put in place for conservation of threatened northern spotted owls.

The special rule, which is expected to be finalized this fall, significantly reduces restrictions on the overwhelming majority of forest land owners. Almost all of those owning 80 acres or less would be relieved of all restrictions.

The special rule has drawn praise from landowners, civic leaders and elected officials on a bipartisan basis.

c. **Preserving Pacific Salmon:** The Bureau of Reclamation and the U.S. Fish and Wildlife Service are participants in a large multi-agency effort to control major threats to the survival of salmon species on the Columbia and Snake Rivers. Thousands of people in Washington are employed in salmon-related industries, and collapsing salmon runs threaten their livelihoods.

The plan released by the National Oceanic and Atmospheric Administration (at the Commerce Department) calls for measures to improve migratory conditions along the rivers, improve spawning and rearing habitats on public and private lands, and temporarily reduce harvests until stocks improve.

The Bureau of Reclamation operates the dams along the river systems. Operations will be significantly altered to allow more fish to pass without danger.

d. **Keeping Americans Working at Republic, WA Mining Company**
In Republic, in the fall of 1994, the Echo Bay Mineral Company was in danger of being forced to close its Lamefoot Mine because it couldn't meet a deadline for data required for a federal environmental impact statement. About 350 people directly and indirectly employed by the mining operation would have lost their jobs.

The Bureau of Land Management gave the company extensive advice and assistance in completing the data collection in time to meet the statutory deadline.

XIII. Department of Defense

a. **Grants:** OEA grants for the Quarter: $120,000.
Total Base Closure and Defense Industry Grants: $120,00.

b. **Defense Contractors:** Boeing Corporation's Defense and Space Group, employment 11,500, value of shipments $4,700M. The GOGO Puget Sound Naval Shipyard, employment 10,000, annual 1993 payroll $550M. Jorgensen Forge Corporation, employment 220, 1992 value of shipments were $24M, 50% in support of DoD. The GOGO Naval Undersea Warfare Engineering Station employment was 3,432 with 1992 annual payroll $123M.

c. **Military Transitions:** The Army provides transition assistance at Fort Lewis, the Navy at four bases, and the Air Force at two bases. There are 273 Washington employers registered with DORS, and over 1,000 resumes on file for people wishing to find employment in the Washington area. There were 193 help-wanted ads for Washington jobs TBB as of March 1995. Finally, personnel in Washington state have expressed a lot of interest in the Troops to Teachers program -- there are over 500 applicants for the Troops to Teachers program.

d. **Civil-Military Programs:** These Clinton Administration initiatives improve military readiness while helping to "rebuild America." Programs active in this state include GuardCare, a Fourth Cliff program to teach skills and crafts to at-risk disadvantaged youth ages 15-17 (Seattle), and a program to provide dental screening, exams, and cleanings to migrant workers of the Muckleshoot Indian Reservation in eastern Washington.

e. **Recruiting:** Two percent of the nation's new recruits (3,808) came from Washington in FY 1994. Recruits enlisted in the Army (1,399 and 37 percent) , Navy (1,102 and 29 percent), Marine Corps (675; 18 percent), and the Air Force (632, 16 percent).

g. **Small Business Innovative Research Grants (SBIR):**

Silicon Design, Inc., Issaquah, WA, a 15 person company which received Phase III awards in each of the following areas from either government prime contractors or private industry. The company produces devices for the missile industry: A. Electronic Safe and Ar Device on Hellflier II and Javelin missiles; B. Electronic Safe and Arm Device in a German missile; C. Miniature Accelerometers -- licensed technology to two automobile manufacturers.

Isothermal Systems Research, Inc., Colton, WA, has developed a technique that uses miniature atomizers to spray-cool hot electronics with a dielectric fluid. The company is in Phase III commercialization. The thermal management is now being applied to supercom-puters, advanced power converters, multichip modules, radar systems cryogenic electronic systems, and engineering workstation processors. Current ISR customers include ARPA, Navy, E-Systems, Boeing, and IBM.

QUEST Integrated, Inc., Kent, WA, developed, under Air Force SBIR research awards, the HYDREX (tm), a reliable UHP water cannon capable of blasting hard rock. QUEST has now sold over $1M worth of HYDREX water cannons mostly for hard rock excavation. DOSCO Overseas Engineering Ltd., a major manufacturer of tunneling equipment, is actively marketing these systems internationally as an add-on to their conventional tunneling machines. The water cannon has been identified by the Battelle Pacific Northwest Laboratories and Lawrence Livermore National Laboratory as key technology for the cleanup of radioactive waste storage tanks at the Hanford Nuclear Reservation. QUEST is also applying water cannon technology to research programs including impact testing and advanced material processing.

h. **Technolgy Reinvestment Projects (TRP):**
Wearable Computer Systems with Transparent, Headmounted Displays For Manufacturing, Maintenance & Training Applications will develop a headmounted display with a position sensing system that superimposes images directly on surfaces or project text and images onto face shield. This will enable Òhands-freeÓ presentation of information for manufacturing, assembly, maintenance, or training operations to improve productivity and accuracy. Provides significant improvements in manufacturing and repairing of DoD systems. (Boeing Computer Services)

National Information Infrastructure (NII) Interoperability Testbed for Mobile Applications will develop open interface standardsto permit mobile and ground-based components of the NII network to work together. Allows easy adaptation of emerging commercial in-flight communication systems for military applications including airborne command and control. Special military needs (security, robustness in face of movement, electromagnetic pulse, jamming, etc.) will be emphasized to insure military applicability. (Boeing Defense and Space Group)

Washington Manufacturing Extension Center is a non-profit corporation established to build on the manufacturing extension success of the Applied Technology Training Center in Everett, Washington. It will provide technical assistance and resource brokering to approximately 2,000 defense-dependent smaller manufacturers in the aerospace, communications and electronics industries. This project will help renew and upgrade the manufacturing and technical skills of the many small firms forming the foundation of the DoD's production base. (Washington Alliance for Manufacturing)

i. Environmental Projects:

The Fort Lewis Natural Resources program affects the 86,176 acre installation in many different aspects while supporting the military mission. Over the past 20 years, the timber program has netted about $1 million per year, over 800 plant and wildlife species (nine considered threatened or endangered) are protected and the program enhances the military mission which in turn enhances capability to protect natural and cultural resources.

Naval Air Station Whidbey Island Recycling Program: Dedicated to waste stream reduction through reducing, reusing and recycling all possible components. It avoids refuse disposal costs, generates recycle sales income and encourages purchase of products made with recycled materials that closes the recycle loop.

XIV. Department of Veterans Affairs

a. The Seattle area has no National Cemetary: The Seattle area was identified as one of ten areas of the country most in need of a new national cemetery. Planning for a new national cemetery in the Seattle area is well underway. A 160-acre parcel of land was purchased midway between Seattle and Tacoma. The cemetery will serve nearly 500,000 veterans within the greater Puget Sound area and is scheduled to open by November 1997.

XV. United States Information Agency

a. Grants: Washington has received 3 grants since October 1993, totaling $443,271.

XVI. Federal Emergency Management Agency

a. Grants: $4,140, 996 in new awards will be provided to Washington in FY 95 compared to $3,892,488 in FY 94. These amounts exclude disaster funding ($36,938,957 for the two year period) for food and shelter funding(5,898,646 for two year period).

b. Disaster Declarations:

Date	DR No.	Type	Public[i]	Individual[ii]	Mitigation[iii]
3/4/93	0981-WA	Wind Storm	$15,778,392	None	$824,512
8/2/94	1037-WA	El Nino	None	$6,600,000	None
7/24/94	2103-WA	Fire		$7,714,085	None
7/28/94	2104-WA	Fire		$6,021,968	None

i Public assistance is aid made available to States, political subdivisions and Indian tribes following a Presidential declaration.

ii Individual assistance is aid made available to individual disaster victims.

iii Mitigation assistance is funding for measures designed to reduce the occurrence of our severity of future disasters.

c. Radiological Emergency Preparedness (REP) Program: Six Counties, the State and Washington Public Power Supply System plan and exercise for response to a radiological emergency at Washington Nuclear Plant No. 2 (WNP-2), Richland, Washington. Funding for this program is provided primarily by the Utility for States and counties within the 50-mile emergency planning zone of WNP-2 (including Adams, Benton, Franklin, Grant, Walla Walla and Yakima Counties.)

d. State Exercise Program: The State conducted a full-scale earthquake exercise, Sound Shake '95 in April 1995. Many cities, counties and special districts in the Puget Sound area joined with State agencies and Federal Agencies to test emergency response and recovery plans. FEMA gave the state $25,000 to supplement participating jurisdiction's activities.

e. Chemical Stockpile Emergency Preparedness Program (CSEPP): For preparedness related to chemical warfare agents stored at the Umatilla Army Depot, Washington received $2,970,255, primarily in Benton County and at the State level in FY 94 and 95. Included is $750,000 towards a new emergency operating center for Benton County.

f. Federal Radiological Emergency Response Preparedness (FRERP) Exercise: FEMA Region X participated in a Defense Nuclear Agency sponsored nuclear weapon accident exercise at the U.S. Submarine Base Bangor, Washington, in August and September 1994. This exercise involved over 300 people, including representatives from the military forces, Federal departments, agencies, and State and local governments. It addressed many jurisdictional issues pertaining to the settlement of damage claims and site restoration.