

THE WHITE HOUSE

TODD -

96 JUN 5 P4:35

PER OUR DISCUSSION

RE: ACCOMPLISHMENTS

STEVE SILVERMAN

6/5/96

CLINTON ADMINISTRATION

SUCCESS STORIES, ACTIVITIES, AND HOT ISSUES



CALIFORNIA

**VA, HUD, INDEPENDENT AGENCIES APPROPRIATIONS:
PRESIDENT'S FY 1996 REQUEST VS. REPUBLICAN FY 1996 EXPECTED ACTION**

Cuts programs under its jurisdiction by about \$9 billion below the President's request for 1996 -- 28 percent of the \$32 billion that Congress plans to cut in non-defense discretionary spending.

	PRESIDENT'S 10-YEAR BUDGET	REPUBLICAN CUTS
National Service	Provides \$819 million in 1996 for AmeriCorps, Learn and Serve and related national service.	Eliminates AmeriCorps, Learn and Serve, and related programs.
AmeriCorps	Increases to \$430 million in 1996, giving another 21,000 young Americans the opportunity to serve their communities and earn an education award.	Eliminates AmeriCorps. Nearly 50,000 young middle-income Americans will lose the opportunity to serve their communities.
Learn and Serve	Increases to \$60 million in FY 1996, creating 140,000 new opportunities for children, adolescents, and college students to help their communities while developing a service ethic.	Eliminates Learn and Serve. 580,000 children, adolescents, and college students will be unable to participate in Learn and Serve.
HUD Budget	Provides \$24.3 billion and restructures HUD to devolve responsibilities to States and localities within a framework of national goals.	Provides \$19.1 billion (\$5.2 billion below the President's request and \$6.4 billion below 1995).
HUD Homeless Assistance	Includes \$1.12 billion in 1996 for a new homeless assistance fund to help communities develop continuum-of-care systems to reduce homelessness.	Cuts 1996 HUD homeless funding almost in half, to \$576 million.
HUD Vouchers	Adds over 500,000 voucher subsidies over 7 years.	Provides <i>no</i> funding for incremental housing vouchers other than to renew outstanding ones, and 50,000 fewer vouchers than the President's request.
HUD Public Housing	Provides \$8.1 billion in 1996 for public housing capital and operating funds, enough to reduce a backlog of capital needs and tear down or reconfigure the worst projects.	Cuts 1996 funding by 37 percent, or \$3 billion, and repeals the requirement that rents be set at 30 percent of a household's income.
EPA Budget	Continues Administration's strong support for EPA by providing \$.1 billion over 1995.	Cuts EPA's budget by 33 percent reduction below fiscal 1995.
Superfund Clean-ups of Toxic Wastes	Increases Superfund cleanups of toxic waste dumps by \$130 million.	Cuts spending by 30 percent below 1995; bars cleanup of any more sites.
NASA Budget	Restructures NASA using a balanced Space Station and science program that does not close any research centers.	Provides \$13.5 billion (\$0.7 billion below the President's request and \$0.6 billion below 1995).

**INVESTING IN EDUCATION AND TRAINING
VS. CUTTING EDUCATION AND TRAINING:
PRESIDENT'S FY 1996 REQUEST VS.
REPUBLICAN FY 1996 EXPECTED ACTION**

7/12/95

	PRESIDENT CLINTON'S 10-YEAR BUDGET	REPUBLICAN CUTS
Goals 2000: Help States and schools raise academic standards and student achievement	Increase to \$750 million in FY 1996, supporting improvements for over 8 million children in 16,000 schools. By FY 2002, funding would increase to \$896 million, supporting improvements for over 44 million children in 85,000 schools.	Eliminate all funding for education reform.
Education for disadvantaged students: Help low-income students achieve high standards	Increased by \$573 million over the last 2 years; increase by \$302 million in 1996, serving as many as 300,000 more children in 1996 alone, and providing increases in the future.	Reduce funding by \$1.1 billion in FY 1996, cutting 1.1 million children from the program in FY 1996 alone. A freeze at this level would, by 2002, cut an additional 600,000 children from the program.
Safe and Drug-Free Schools and Communities	Fund at \$500 million per year, providing safer, more drug-free learning environments for 39 million children in 14,000 school districts.	Reduce funding to \$200 million, a 60% cut from the President's request. This would deprive over 23 million students of services next year.
Head Start: Comprehensive services for pre-school youth & toddlers to increase school readiness	Increase FY 1996 funding by \$400 million and add 32,000 new Head Start slots for children in 1996, and a total of 50,000 new slots by 2002.	Cuts funding by \$135 million from FY 1995 level. 45,000-50,000 children would be cut off current Head Start in 1996 to maintain program quality. Freezing funding at the reduced level would cut off up to 230,000 children below the President's proposed level for 2002.
Child Care & Development Block Grant: Child care assistance for working poor families	Increase funding by \$100 million in FY 1996. States could use these funds to serve 70,000-80,000 more children of working poor families.	Provides no added funding in FY 1996. 70,000-80,000 fewer children in working-poor families could be served than under the President's proposal.
Summer Jobs for disadvantaged young people	Funding for about 615,000 jobs for disadvantaged young people in the summer of 1996.	Program eliminated beginning in 1996, wiping out job opportunities for some 4.3 million disadvantaged youth over the next 7 years.
Job Training for dislocated workers, low-income adults	Put Skill Grants directly into the hands of disadvantaged and dislocated workers, with 800,000 Skill Grant recipients in 1996. Increase 1995 funding by 40% to \$3.1 B.	Cuts funding by 50% below the President's request, and 25% below 1995.
AmeriCorps: College Aid for National Service	Expand by \$242 M to provide nearly 50,000 opportunities for community service and college aid, and 580,000 youth (K-12) other service opportunities.	Eliminated. Over 4.3 million service opportunities for youth in their communities abolished over 7 years.
ALL EDUCATION AND TRAINING (Budget Function 500)	INCREASE EDUCATION, TRAINING AND AID TO STUDENTS BY \$40 BILLION IN DISCRETIONARY OUTLAYS OVER 7 YEARS	THE BUDGET RESOLUTION CUTS OUTLAYS FOR EDUCATION AND TRAINING BY \$36 BILLION INCLUDING \$10 BILLION IN LOAN BENEFITS TO STUDENTS

Hot Issues

Hot Issues in California

Table of Contents

<u>Issue</u>	<u>Agency</u>	<u>Page</u>
Strike Activity:	DOL	2
Unemployment:	DOL	2
Wages:	DOL	2
State Bill Introduced		
Pertaining to "Right to Work":	DOL	2
State Bill to Raise the Minimum Wage:	DOL	2
Foreign Spent Nuclear Fuel:	DOE	2
Congressional Ban on exporting		
Alaskan North Slope Oil:	DOE	3
San Francisco Mayor's Race:	HUD	3
BRAB:	DOD	3
Northrup-Grumman Hawthorne:	DOD	3
U.S. Attorney's Office in San Francisco		
Handles British Requests		
for Extradition of IRA Terrorists:	DOJ	3
San Francisco Task Force Investigates		
UNABOM Case:	DOJ	4
California Files Suit Against U.S. for		
Failure to Enforce Immigration Laws:	DOJ	4
Gang Bust Nets Record Crack Seizure:	DOJ	5
Rural Enterprise Communities:	USDA	5
Office Closings:	USDA	5
Welfare Reform:	USDA	5
Medfly Situation:	USDA	5
Cypress Freeway -- Affirmative Action:	DOT	5
Higher Education:	DoED	6
Bilingual Education:	DoED	6
Special Education Funding:	DoED	6
Inclusion:	DoED	6
Racial Harassment:	DoED	6
Earthquake Disaster Relief:	DoED	6
Welfare Demonstrations:	HHS	7
Medicaid Disallowance:	HHS	7
Defense Downsizing:	OPM	8
Office Closings:	SBA	8
Unmet Credit Needs:	SBA	8

Legal and Regulatory Burdens:	SBA	8
Downsizing:	DOC	8
Salmon:	DOC	9
Peso:	DOC	9
San Diego Sewage Treatment:	EPA	9
Vehicle Inspection:	EPA	9
Action Against Simpson Timber Company	EPA	10

Hot Issues in California

DOL--Strike Activity: FMCS reports a work stoppage at Motor Cargo Inc. in San Francisco involving the Teamsters Local 70. Seventy people are involved.

DOL--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.

DOL -- Wages: 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 76,000 jobs and finance, insurance, and real estate has lost 20,000 jobs.

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

DOL--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.

DOE -- 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.

DOE -- Congressional Ban on exporting 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.

HUD -- San Francisco Mayor's Race: Former HUD Assistant Secretary Roberta Achtenberg formally resigned from the Administration on April 30, 1995 to run for Mayor of San Francisco.

DOD -- BRAC: On July 13, the President approved the recommendations of 1995 Base Realignment and Closure Commission to close or realign 132 military installations in the U.S. (24 in California).

- Decision was a difficult one... affects approximately 100,000 DoD employees nationwide, about 26,000 in California who are faced with job losses or relocations. Communities will also be faced with many indirect job losses.

- Closures are critical to National Security... the savings from reducing the DoD base structure (estimated at about \$20 billion over 20 years in present value) are critical to long-term readiness and modernization.

- Commission recommendations presented unique challenges... changes to the DoD recommendations were more and of greater magnitude than ever before. The President's decision had to weigh military concerns, costs and community economic impacts. The Long Beach and Sacramento areas were particularly hard hit by this and previous BRAC rounds.

- Privatization will be a major mitigation initiative... at several large industrial complexes such as the Air Force aviation depot at Sacramento, the President directed the DoD to pursue a closure strategy of contracting much of the existing repair work, hoping to retain jobs in place. By stretching out this initiative over five years, he intends to preserve at least 8,500 jobs on-site for that period.

- Immediate Federal assistance will be offered to impacted communities and individuals... DoD has trained coordinators on site and will provide planning assistance grants for redevelopment; DoL will provide job placement and retraining programs; and Commerce will work with communities on capital investments to

assist conversion to commercial activities.

DOD--Northrup-Grumman Hawthorne: This California facility lost the Tri-Service Standoff Attack Missile (TSSAM) program due to cancellation. The impact is approximately 1500 people that were employed on the Engineering/Manufacturing Development phase to be reassigned or released.

DOJ -- U.S. Attorney's Office in San Francisco Handles British Requests for Extradition of IRA Terrorists. The U.S. Attorney's Office in San Francisco, with the assistance of the Office of International Affairs, is representing the United Kingdom in extradition proceedings in several cases, Requested Extradition of James Joseph Smyth, No. 94-10495 (case on appeal to court of appeals following decision denying extradition), Requested Extradition of Kevin Barry John Artt and Pol Brennan, Nos. CR-92-0151-MISC (CAL) and CR-93-0063-MISC (CAL) (district court ordered discovery at a hearing on May 25, 1995, and set a tentative schedule for the extradition proceeding to begin in November 1995), and Requested Extradition of Terence Damien Kirby, No. CR-0086-MISC (same status and same schedule as outlined for Artt and Brennan). All these fugitives were convicted of terrorism. They escaped in 1983 from the Maze Prison in Northern Ireland and fled to the United States sometime thereafter. The cases have generated a substantial amount of publicity.

DOJ -- 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.

DOJ -- 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.

DOJ -- 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.

USDA -- 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.

USDA -- Office Closings: Citrus and Subtropical Crops Research Laboratory in Pasadena was closed in 1995. About 31 of 75 current county-based field locations in the state also will be closed.

USDA -- 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.

USDA -- 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.

DOT -- Cypress Freeway -- Affirmative Action: Mayor Elihu Harris (D-Oakland) has contacted the Department on many occasions expressing his concerns about contractors on the re-construction of the Cypress Freeway. While the California Department of Transportation (Caltrans) has met all legal requirements for DBE's, Mayor Harris has specific concerns about the need to employ more Afro-Americans and the need to provide greater local preference in awarding the contracts. FHWA Administrator Rodney Slater has met with the Mayor on numerous times and has attempted to facilitate an agreement between Caltrans and Oakland.

DoED -- 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.

DoED -- 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.

DoED -- Special Education Funding: With the various IDEA reauthorizations and a reduction in Federal funding over the years, CA reports that it is increasingly unable to meet the mandates under the Act without encroaching on general-education program monies. Currently, local school districts in the State are expending over \$600 million annually to meet Federal special-education mandates. Local school districts also are raising concerns about what they term "the imbalance between the rights of disabled students and their non-disabled peers." There is sentiment in the State that the current funding model for special education is complex, non-responsive to innovation or changing requirements, and results in funding variations among local school districts.

DoED -- 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.

DoED -- 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.

DoED -- Earthquake Disaster Relief: According to a January article in the Los Angeles Times, the massive federal aid to CA has failed to reach many of the schools that were most severely damaged by the Northridge earthquake last year. Los Angeles Schools Superintendent Sid Thompson said that with its multi-level review process, FEMA is acting, "like we're trying to build the Taj Mahal. To say it is ponderous is the understatement of the year." The district sustained earthquake damage to about 5,600 buildings, with repairs estimated at \$150 million. Nineteen schools had more than \$500,000 damage each. Reconstruction is scheduled to be completed in 1996.

HHS --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.

HHS --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). This work is taking place on a number of fronts:

1. HCFA is conducting a review of past MAC claims. This review is of claims beyond the \$315 million dollar claim that was disallowed. HCFA and the state have agreed on which categories of services claimed under the MAC system are eligible to receive federal match. HCFA has reviewed almost all of LA County's claim and has determined that approximately \$50 million (of a \$650 million - \$1 billion claim)

is matchable. Other counties have been slow to submit their claims for review.

2. HCFA helped the state develop, and is about to approve, six state plan amendments which will allow payment for targeted case management services provided as of January 1995.

3. HCFA has provided technical assistance to the state and counties on raising outpatient Medicaid rates. Counties have claimed that these rates are much too low.

OPM -- Defense Downsizing: OPM is working with the McClellan Air Force Base, the Sacramento Army Depot Activity and a partnership of federal agencies to provide job assistance to employees displaced in the greater Sacramento area.

SBA -- Office Closings: As part of the SBA effort to "Stretch Taxpayer Dollar\$, " the Agency is proposing to reduce the number of SBA District Offices in California from six to three. The two largest remaining offices, Los Angeles and San Francisco, will be the 2nd and 3rd largest SBA offices in the country. Each of these offices will service more small businesses than the combined total of the twelve smallest SBA District Offices.

SBA -- 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.

SBA -- Legal and Regulatory Burdens: California's rapid growth over the last forty years has resulted in a complex web of overlapping legal and regulatory jurisdictions and requirements. The resulting labyrinth of confusing and occasionally conflicting laws and regulations directly affects the State's ability to grow and retain small businesses. Neighboring states with fewer legal and regulatory requirements successfully recruit established California small businesses out of the State.

DOC -- Downsizing: California has seen tremendous restructuring and downsizing in each of its major industry sectors; defense cutbacks are not yet over and numerous base closures are looming. In the last recession California lost 650,000 jobs, almost 2/3 of which in LA County were due to defense/aerospace downsizing.

DOC -- Salmon: NOAA is about to propose listing several runs of salmon in California as threatened or endangered under the Endangered Species Act. Some of the habitat is on Federal forested lands (covered by the President's Forest Plan), but much is on private forested lands. State and Federal agencies are in the initial phase of establishing a consensus-based effort to resolve environmental problems on private forested lands. In addition, the commercial salmon fishing industry restrictions may be increased until stocks rebuild.

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

EPA -- 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.

EPA -- Vehicle Inspection: 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.

EPA -- Action Against Simpson Timber Company: EPA has issued an administrative order to Simpson Timber Co. to stop the unpermitted destruction of vernal pool wetlands (depressions that fill with rainwater during California's wet winter months and then gradually dry up during spring) and creeks at the company's eucalyptus tree plantation near Corning, California. Before planting eucalyptus trees, Simpson destroyed and severely degraded the vernal pools by "deep rippling," a procedure that punctures the clay layer and other water restriction soil layers underlying the vernal pools. This, in turn, causes rainwater to drain through the soil instead of forming a pool. In addition, Simpson has deep ripped and graded roads through creek beds.

Based on initial observation, Simpson's operations have involved more unpermitted alteration of wetlands and other waters than at any other single site in California. Simpson has caused serious environmental damage to rapidly diminishing wetlands resources. The destruction of over 90% of California's original wetlands, due to urban and agricultural development, has been the principle cause of drastic declines in the numbers of fish and wildlife over the past century. The remaining wetlands, including vernal pools, are more valuable than ever before.

Although Simpson has asserted that EPA's enforcement action will put 800 people out of work, EPA's actions neither require nor are intended to close the facility. Based on ongoing discussions, EPA and Simpson have reached an agreement in principle on the resolution of this case. The anticipated solution strikes a balance between beneficial uses and protection of dwindling resources.

**Administration
Activity**

Update on Administration Activity In California
June 24, 1995

TABLE OF CONTENTS

<u>I.</u>	<u>Department of Treasury</u>	<u>page</u>
a.	Reform of Federal Firearms Licenses	7
b.	EITC	7
<u>II.</u>	<u>Department of Commerce</u>	
a.	Los Angeles Community Development Bank	7
b.	The International Trade Administration's Consortia of American Businesses in Eastern Europe and the Newly Independent States	7
c.	Economic Development Administration Assistance	7
d.	Defense Conversion	8
e.	Advanced Technology Program	8
f.	On-Line Trademark Information	8
g.	National Information Infrastructure	8
h.	Marine Sanctuaries and Reserves	8
i.	New National Marine Fisheries Service Laboratory	8
j.	Minority Business Development Centers	8
k.	Devaluation of the Peso	8
l.	Semiconductors -- Japan	9
m.	Border Crossing Fees	9
n.	Census Adjustment	9
<u>III.</u>	<u>Department of Labor</u>	
a.	Unemployment	9
b.	State Bill Introduced Pertaining to "Right to Work"	9
c.	State Bill to Raise the Minimum Wage	9
d.	"Jobs Shrink as Economy Weakens" -- <i>Sacramento Bee</i>	9
e.	Affirmative Action Targeted as (Gov) Wilson Repeals Programs	10
f.	New Action on Affirmative Action	10
g.	One-Stop Grant	10
h.	Aerospace Network	10
i.	Disaster Mitigation	10
j.	Project Joblinks	11
k.	Adult Training	11
l.	Dislocated Workers	11
m.	Timber Workers	11

	<u>page</u>
n. Youth Training Grants	11
o. Job Corps	11
p. Unemployment Insurance	11
q. Employment Service	11
r. Older Workers	12
s. Migrant and Seasonal Farmworkers and Native Americans	12
t. Apprenticeship Services	12
u. Trade Adjustment Assistance	12
v. NAFTA-Transitional Adjustment Assistance	12
w. OSHA	13

IV. Department of Transportation

a. Los Angeles County Metro Line Project	13
--	----

V. Small Business Administration

a. Management Counseling	13
b. Management Training	13
c. International Trade Programs	14
d. Women in Business Programs	14
e. Procurement Assistance	14
f. Minority Enterprise Development	14
g. Low Documentation "LowDoc" Loan Program	14
h. Access to Capital/Defense Conversion	15
i. Unmet Credit Needs	<u>15</u>

VI. Department of Education

a. Grants	16
b. Goals 2000	16
c. School-to-Work	16
d. Title I	17
e. Professional Development	17
f. Title VI	17
g. Safe and Drug-Free Schools	17
h. Vocational Education	17
i. Adult Education	18
j. State Literacy Centers	18
k. Special Education	18
l. Direct Lending	18
m. Student Aid	18
n. Higher Education	18
o. Bilingual Education	18
q. Inclusion	19

r.	Racial Harassment	<u>page</u> 19
<u>VII. Department of Justice</u>		
a.	New Grants	19
b.	House Rescissions	19
c.	Formula Grant Funds	19
d.	Victims/Violence Against Women	19
e.	Police Hiring Grants	19
f.	Comprehensive Programs	19
g.	Adjudication/Correction Alternatives	20
h.	Criminal History Records	20
i.	SCAAP	20
j.	Gangs, Guns, and Youth Violence	20
k.	San Francisco Task Force Investigates UNABOM Case	20
l.	California Files Suit Against U.S. for Failure to Enforce Immigration Laws	20
m.	Gang Bust Nets Record Crack Seizure	<u>21</u>
<u>VIII. Department of Health and Human Services</u>		
a.	Welfare Demonstrations	21
b.	Medicaid	22
c.	Medicaid Disallowance	22
d.	New Grants	22
e.	Childhood Immunization Initiative	22
f.	Medicare	22
g.	Aid to Families with Dependent Children	22
h.	Job Opportunities and Basic Skills Training Program	22
i.	Ryan White CARE Grants	23
j.	Head Start	23
k.	Child Care and Development Block Grants	23
l.	Child Support Enforcement Program	23
m.	Older Americans Act	23
<u>IX. Department of Housing and Urban Development</u>		
a.	San Francisco Housing Authority	24
b.	Single Family Homeowners	24
c.	Homeownership Savings to California Families	24
d.	Empowerment Zone/Enterprise Communities	24
e.	Transforming the Nation's Worst Public Housing through HOPE VI	24
f.	Fighting Crime through the Administration's Operation Safe Home Initiative	24
g.	San Francisco Innovative Homeless City Initiative	25
h.	Pension Fund Investment in Affordable Housing	25
i.	Safe Neighborhood Action Plan	25
j.	Ongoing Northridge Earthquake Activity -- "Mobility Plus"	25

page

k.	Rental Assistance to California Flood Victims	25
l.	Economic Development Initiative	25
m.	Community Development Block Grant	25
n.	Economic Development Initiative Grants	26
o.	HOME Investment Partnership	26
p.	Emergency Shelter Grants	26
q.	Housing Opportunities for Persons with AIDS	26
r.	Supportive Housing for the Elderly	26
s.	Supportive Housing for Persons with Disabilities	26
t.	Youth Development Initiative	26

X. Department of Agriculture

a.	Fresh Poultry	27
b.	Impacts of FY95 Funding Cuts	27
c.	Possible Sanction	27
d.	Avocado Imports	27
e.	Poultry Disease Threat	27
f.	Perishable Agricultural Commodities Act	27
g.	Adverse Weather	27
h.	Research	28
i.	Grants	28
j.	Rural Enterprise Communities	28
k.	Americorp	28
l.	Welfare Reform	28
m.	Medfly Situation	29

XI. Department of Energy

a.	DOE estimates that it will spend about \$1.67 billion in California in FY 1996	29
b.	Point of Entry for Foreign Spent Nuclear Fuel:	29
c.	Aid to Independent Oil Producers in California	29
d.	Alaskan North Slope Oil	29

XII. Department of Interior

a.	Water Reclamation and Reuse Grants	30
b.	Federal Aid in Sport Fish Restoration	30
c.	Federal Aid in Wildlife Restoration	30
d.	AMERICORP	30
e.	Bay/Delta Protection Plan	30
f.	Coastal Sage Scrub/Gnatcatcher Program	31

<u>XIII. Environmental Protection Agency</u>	<u>page</u>
a. San Diego Sewage Treatment	31
b. Vehicle Inspection and Maintenance Program	32
c. Grants	32
d. San Francisco Bay/Delta	32
e. Base Closure	32
f. Superfund Reform Initiative	33
g. Border Sewage Treatment -- Tijuana	33
h. Mexicali	33
i. Americorp	34
j. Reducing Regulatory Barriers to Innovative Technologies	34

<u>XIV. Department of Defense</u>	
a. Grants	35
b. Defense Contractors	35
c. Military Transitions	35
d. Civil-Military Programs	35
e. Health Resources Sharing Program	35
f. Reserve Officers' Training Corps (ROTC)	35
g. Recruiting	35
h. Priority Placement Program	35
i. El Segundo	36
j. Defense Logistics Agency's San Pedro California Fuel Supply Facility	36
k. Community Reinvestment/Base Reuse	36
Victorville	36
Oakland	36
Sacramento	36
Sacramento Army Depot	36

<u>XV. Office of Personnel Management</u>	
a. Regional Restructuring	37

<u>XVI. Federal Emergency Management Agency</u>	
a. 6 California Disaster Declarations (Fiscal Year 1993 to Present)	37
DISASTER: Severe Winter Storms.	37
DECLARATION DATE: 02/03/93	
DISASTER: Wildland Fires.	37
DECLARATION DATE: 10/28/93	
DISASTER: Northridge Earthquake.	37
DECLARATION DATE: 01/17/94	
DISASTER: El Nino / Salmon Fisheries.	37
DECLARATION DATE: 05/01/94	

DISASTER:	Severe Winter Storms, Mudslides and Landslides.	page 37
DECLARATION DATE:	01/10/95	
DISASTER:	Severe Winter Storms, Mudslides and Landslides.	38
DECLARATION DATE:	02/13/95	

XVII. United States Information Agency:

a.	Grants	38
b.	\$ Amount Spent in CA by Foreign Students	38
c.	Number of Fulbright Grants Awarded	38
d.	\$ Amount USIA Spent on Contracts	38
e.	Los Angeles Foreign Press Center	38

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 industry 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-Line Patent and Trademark 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. **Minority Business 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, but 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)
 - ▶ Ampherox 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:** FTA has 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 Angelesans, 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 \$7,305,261,000 in federal payments in FY 1994. 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 \$18,032,000,000 in federal Medicaid expenditures between 1996-2002 under the Republican Budget Resolution Conference Agreement, which could leave 1.2 million persons without coverage in 2002.
- 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 \$18,937,719,000 in federal payments in FY 1994. 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 3,636,129 beneficiaries. under the Republican Budget Resolution Conference Agreement, ca stands to lose 36,371,000,000(\$4,100 per beneficiary) between 1996-2002.
- 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:	117,834	104,092
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 totaling 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 Bernardino 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, Monterey 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 invited 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.

Success Stories

Clinton Administration California Success Stories

July 26, 1996

Table of Contents

<u>Department of Justice</u>	<u>Page</u>
Families and Children Empowered for Success Project	5
Institutional Hearing Program	5
Operation Gatekeeper	6
<u>Department of Agriculture</u>	
Jobs in the Woods	6
Rural Enterprise Grant	7
<u>Department of Transportation</u>	
Short Term Lending Program	7
Livable Communities	8
<u>Department of Education</u>	
School-to-Work	8
Bilingual Education	9
Safe & Drug-Free Schools	10
Eisenhower Professional Development--teacher training	11
<u>Department of Health and Human Services</u>	
National Immunization Outreach Program	12
Ryan White CARE Act	13
Aid to Families with Dependent Children	14
Child Development Project	14
<u>Federal Emergency Management Administration</u>	

Collaborating Agencies Responding to Disasters	15
Community Education and Mitigation Training	16
The Urban Search and Rescue Program	16
Standardized Emergency Management System (SEMS)	16
<u>United States Information Agency</u>	
Fulbright Teachers Program	16
<u>General Services Administration</u>	
ENVEST-SCE: A Model of Energy Efficient Building	17
Automated Building Controls Test	18
Contracts for Environmental Assistance for Recycling,	18
Child Care Program	19
Small and Disadvantaged Business Program	20
Information and Computer Technology Support	20
Information and Computer Technology	22
<u>Veterans Affairs</u>	
Consolidation of VAMC Palo Alto and VAMC Livermore	22
Primary Care Clinic at Ft. Ord	22
Replacement VA Medical Center/DoD Joint Venture	23
Stand Down	23
TAP/DTAP Briefings	23
Team Approach to Adjudicating Claims.	23
Redesign of Loan Guaranty Division	23
Team Approach to Adjudicating Claims	24
<u>Small Business Administration</u>	

Low Documentation "LowDoc" Loan Program	24
SCORE Counseling & 7(a) Loan	25
Access to Capital	26
Small Business Innovative Research & Government Contracting	26
<u>Office of National Drug Control Policy</u>	
CSAP/ High Risk Youth Demonstration Projects	27
Community Prevention and Demonstrations Branch	27
CSAP Maternal and Child Health Bureau	27
HIDTA	27
<u>Department of Labor</u>	
Non-traditional Employment for Women	28
JTPA Title III Defense Conversion Adjustment Project	28
<u>Department of Energy</u>	
Oakland Operations Office	29
Oakland Operations Office	29
Fossil Energy	30
Oakland Operations Office	30
Oakland Operations Office	31
Oakland Operations Office	31
Oakland Operations Office	31
<u>Department on Housing and Urban Development</u>	
L.A. Earthquake Relief Effort "Mobility Plus"	32
Operation Safe Home	32
<u>Department of Defense</u>	
Civil-Military Cooperation Program (CareForce)	34

Defense Production Act, Title III Program	34
Turboalternator For Electric Hybrid Vehicles	34
Small Business Innovative Research (SBIR) Program and Small Business Technology Transfer (STTR) Program	35
<u>Department of Interior</u>	
AmeriCorps	38
Bay/Delta Protection Plan	38
<u>Department of Commerce</u>	
CALFED Bay/Delta Program	39
<u>Environmental Protection Agency</u>	
Clean Water Act, NPDES Program, Enforcement	40
Toxic Source Reduction	40
Superfund	41
Superfund	41

Department of Justice

Program: Families and Children Empowered for Success Project

Highlight: Unique private/public partnership to reduce and eliminate the need to remove high-risk wards, ages 12-17, from their homes and place them in costly, long-term residential facilities.

Success: The program includes a Day Center with a remedial/accelerated school program.

Program also includes individual, group, conjoint and family counseling and daily recreational and cultural activities.

Program also offers intensive, home-based family preservation services to identify and modify behaviors that led to the family breakdown and delinquency. Program also links families to community resources and provides follow-up supervision.

Program: Institutional Hearing Program

Highlight: The (IHP) is a cooperative effort among INS, the Executive Office for Immigration Review (EOIR), and various correctional agencies to begin deportation proceedings for convicted alien criminals while they are incarcerated. The goal of the IHP is to process all deportable alien inmates prior to completion of sentence.

Success: The State Criminal Alien Assistance Program (SCAAP) provides federal assistance to the states for costs incurred for the imprisonment of illegal aliens who are convicted of felony offenses. The proposed methodology for INS verification for reimbursement under SCAAP will rely on a one day count of foreign born inmates by participating states.

California has reduced the number of intake sites for foreign-born nationals from 62 to 11 which permits INS to provide dedicated staff at each of the sites to screen inmates for deportable aliens. Those determined to be deportable are moved by the state to one of three institutions designated as immigration hearing sites where deportation proceedings are concluded before sentence expiration.

Fingerprints of aliens removed under the California Institutional Hearing Program (IHP) are flagged in the California Department of Justice (CAL/DOJ) Automated Fingerprint System (AFIS). CAL/DOJ AFIS is the primary system

used by law enforcement officers in the state of California. By flagging these records, information on the immigration status and criminal history of IHP deportees who subsequently reenter the United States is available to apprehending officers. Under current procedures, a 24-hour INS Command Center is notified when there is a "hit" on one of the California IHP cases, and the case is referred to the appropriate INS office in California.

An Interim Final Rule for SCAAP was announced October 6, 1994, in the Federal Register. Subsequently, California was one of seven states receiving awards totalling approximately \$43 million. California was identified as one of seven states having the highest percentage of incarcerated aliens in the nation. Final guidance for making application under the SCAAP in Fiscal Year 95 was recently issued to state departments of corrections and other designated agencies eligible to apply.

Program: Operation Gatekeeper

Highlight: Launched in October 1994, Operation Gatekeeper is an unprecedented initiative in the San Diego area designed to deter illegal border crossers and to shift them from the traditionally most heavily trafficked area, Imperial Beach, to less populated areas further east where the Border Patrol has an enforcement advantage.

Success: INS has implemented this initiative by increasing the number of Border Patrol agents deployed as well as by the strategic use of fencing and technology such as sensors and nightscopes.

Initial results of Operation Gatekeeper indicate that it has been successful in reducing apprehensions in Imperial Beach to historic lows, disrupting traditional smuggling routes, and shifting traffic eastward.

Department of Agriculture

Program: Jobs in the Woods

Highlight: The Jobs in the Woods goal is to retrain displaced timber workers for the new forestry/ecosystem management jobs of the future.

Success: Currently, there are three Jobs in the Woods demonstration retraining projects in northern California as part of the President's Forest Plan. Each project will employ 20 displaced timber workers for six months while they receive retraining and certification as ecosystem technicians.

Focus is on-the-job training on federal land using federal dollars. Each project

is using about \$300,000-\$400,000 in project funds supplied by National Forests and the Department of the Interior's Bureau of Land Management.

The training curriculum for the workers was developed through a Pacific Northwest grant to the Watershed Center in Hayfork in cooperation with Shasta College.

Program: Rural Enterprise Grant

Highlight: 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.

Success: 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.

Department of Transportation

Program: Short Term Lending Program

Highlight: The Office of Small & Disadvantaged Business Utilization Short Term Lending Program was established to enable minority, women owned and disadvantaged business enterprises to obtain short-term working capital at prime interest rates for transportation related projects.

Success: The program provides revolving lines of credit to finance accounts receivables arising from transportation related contracts. The maximum line of credit is \$500,000. Contracts must be maintenance, rehabilitation, restructuring, improvements or revitalization of any of the nation's model of transportation with an public or commercial provider.

By allowing small businesses to secure these loans, DOT not only encourages entrepreneurship but helps stabilize local economies while offering not only financial, but technical assistance to assure long term personal responsibility. This company owned by an Asian DBE, provides civil and structural engineering services specializing in transportation and earthquake engineering to CALTRANS and other governmental agencies. The company has been a borrower since January, 1994 and has recently received an increase in its line of credit to support its expanded activity.

Program: Livable Communities

Success: A \$470,000 planning grant has been given to the Metropolitan Transportation Commission, on behalf of the Spanish Speaking Unity Council, to assist in the development of a "transit village" at the BART Fruitvale Station. The project will assist in improving customer access to the village, which will include a child care facility, health care facility, senior citizen housing complex, an educational center, police substation and retail services with a pedestrian plaza. FTA has reserved \$2.3 million in discretionary funding for this project pending completion of the environmental work and comprehensive site development plan.

Department of Education

Program: School-to-Work

Highlight: 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.

Program: Bilingual Education

Success: High expectations, staff development, and community involvement have been the key to educational success at Ezequiel A. Balderas Elementary School.

Highlight: Balderas is a challenging school: 70% of the students have limited English proficiency, nearly 90% come from low-income homes, and 98% are minorities. Fresno hired an innovative, visionary principal -- Erlinda Griffin -- to turn the school around in 1991.

This year-round school features hands-on instruction and cross-age tutoring. Children who speak no English get intensive instruction from 14 multilingual teacher aides who are students in Cal State Fresno's teacher education program. Balderas faculty receive intensive, credited training in language development from Cal State Fresno.

Parents from every cultural background actively participate in Balderas events. School unity is promoted with the voluntary adoption of school uniforms (98% wear blue or plaid every day).

After the first year, math scores improved, attendance rose to 99%, student transiency decreased, and parents rated the school positively.

Program: Safe & Drug-Free Schools

Highlight: Charles Maclay Middle School in the Los Angeles Unified School District has become a safe haven for students in this high poverty, violent area. Its Victory Outreach program has saved greatly reduced gang killings.

Success: Dick Roberts, School Improvement/Healthy Start/Impact Coordinator: "Impact is the program in LAUSD schools where students meet in small groups once a week to discuss such critical problems in their lives as violence and gangs, drugs and alcohol, and teen pregnancy. Pacoima had long been the most economically depressed area in the San Fernando Valley ... over 80% of our children are involved in the federal free lunch program. Through the Impact program students get to discuss with teachers and other responsible adults the difficult problems in their lives. They come to understand that their own safety is critical to education.

One of our Impact programs is a gang diversion program called Victory Outreach. Victory Outreach is the organization that is most responsible for bringing about a gang truce in the San Fernando Valley. In the last year-and-a-half there have been four deaths due to gang killings. The year before that there were over fifty. It is of the highest value to have our students be able to have these weekly meetings with Victory Outreach.

Presently we have 13 Impact groups on campus involving over 140 students. Students value these meetings. More students want to join groups, and we are in the process of adding new groups. Within an otherwise threatening and dangerous community, Maclay Middle School has become a place that is a safe haven for its students. The Impact program is a significant part of our commitment. To cut this program back would be a slap in the face at a time when we are trying to take care of them and educate them."

Program: Safe & Drug-Free Schools

Highlight: The Future is Ours program targets high-risk, inner-city youth (K-6) from drug-ridden neighborhoods, living in poverty, with low academic achievement, poor school attendance, and no "sense of future."

Success: This \$379,000 grant goes to West Contra Costa Unified School District in Richmond, CA.

Its components include teacher training, peer helper program, academic tutoring, career awareness/positive role models, parenting workshops, a drug prevention program. This integrated service model is a joint collaborative by four community-based organizations, the city of Richmond, and Richmond U.S.D.

Program: Eisenhower Professional Development--Teacher Training

Story: The Compton Unified Mathematics Project, with the sponsorship of the University of California at Irvine, has initiated an innovative mathematics professional development program that will create and support significant change in the quality of mathematics received by K-8 Title I students.

Success: This project seeks to change the relationship teachers and students have with mathematics, the role each plays in the learning process and the educational goals of underrepresented students. Teachers enhance their understanding of mathematics, increase their repertoire of teaching methodologies and alternative methods of assessment and develop leadership skills. Students develop confidence in their ability to reason and to use mathematical principles.

The project's success resulted in an expansion to include high school teachers and students. The district will double the number of teachers and students involved at the district's expense. The Federal share totalled \$347,000 in Eisenhower funds, a fine example of collaborative programming.

Program: Special Education

Highlight: Ryan B. is disabled, but educated in "regular" classrooms where he has excelled in Irvine, CA.

Success: Ryan B. is a senior and a resource room student at Irvine High School, Irvine Unified School District, Orange County. Ryan has osteogenesis imperfecta, commonly referred to as "brittle-bone syndrome." Ryan's parents wanted him to attend a high school with programs for students with disabilities; however, Ryan wanted to continue on with his friends.

Ryan is being educated in an inclusive setting in the regular classroom; however, he does participate in some special education and job-readiness programs. He also is a member of his school's "Integration/Full Inclusion Task Force;" this unique workgroup includes the local high school administrators, teachers, the principal and students.

Ryan also was one of 67 high-school students chosen to participate in the State's Youth Leadership Forum for Youth with Disabilities last summer, and he recently gave a presentation on the subject of educational reform at CA's State Special Education Fall Conference in Sacramento.

Department of Health and Human Services

Program: National Immunization Outreach Program

Highlight: The Oakland Head Start Program and the Alameda County Health Department began the Sibling Immunization Program to address the low immunization levels of younger siblings of Head Start Program attendees.

Success: Family Advocates, (parent volunteers and Head Start staff), help operate the program and are trained by the state health department. When a child is enrolled in the Head Start Program, the Family Advocates determine if the Head Start children have younger siblings and, then determine if these younger siblings have received all needed immunizations.

If immunizations are due or overdue, parents are referred to the health department. Throughout the year, Family Advocates contact parents to remind them when their child's immunizations are due.

The Immunization Program is being implemented in all 22 Oakland Head Start Program sites and, as of February 1995, 690 siblings of Head Start children have been enrolled. Approximately 1,300 children are enrolled in Oakland

Head Start centers. A 100 percent immunization rate has been achieved among Head Start siblings.

Program: Ryan White CARE Act

Highlight: The City and County of San Francisco received \$32 million through Ryan White Title I funding to provide community-based outpatient health and support services for low-income persons living with AIDS/HIV and their families, including comprehensive medical care, prescription drugs, counseling, transportation, meals-on-wheels programs, home care and hospice care.

Success: Increased Number of People in Care: In the last year, more than 33,000 hours of medical care, 54,000 hours of home health care, 120,000 prescriptions, 25,700 hours of mental health services, and 35,800 hours of substance abuse treatment were provided through Ryan White funding to people living with HIV/AIDS. The number of persons receiving services through the Urgent Care Drop-In Program of the Ward 86 Clinic at San Francisco General Hospital, has grown from 200 people per month in 1991 to over 400 per month in 1994 (2/3 of whom are unduplicated patients), while the Ward 86 Clinic itself serves more than 2,500 patients per month. The School of Dentistry at the University of the Pacific has quadrupled their hours of dental service and added more than 700 new clients to their client base in 1993-1994.

Added New Service: In 1994, added Health Center #1, a new primary care site, to the city/county health clinics; provided over 1,000 hours of primary medical care, mental health services, neuropsychiatric testing, case management, medicine management and health education to 90 multi-diagnosed patients in the first year (unduplicated patients).

New Access Point to Health Care System: Established Women's Place, a residential psychiatric and substance abuse treatment program for women with multiple diagnoses, providing 4,000 resident days to 70 women in 1994.

Program: Aid to Families with Dependent Children

Highlight: In March 1994, The Clinton Administration approved the "Work Pays Demonstration" in the state of California. This welfare demonstration project is designed to promote self-sufficiency for recipients of Aid to Families with Dependent Children (AFDC). A key aspect of the California demonstration, which will operate for five years, is to encourage young AFDC recipients to stay in school or work.

Success: Teen-age AFDC parents who maintain at least a "C" grade point average or ultimately graduate from high school will be eligible to receive cash bonuses of \$100 and \$500, respectively. Conversely, parents who fail to maintain a "D" grade point average could have their monthly AFDC payment reduced by up to \$50 for each of two months.

AFDC families will be allowed to accumulate \$2,000 in assets and have \$4,500 equity in an automobile. The current asset and vehicle equity limits are \$1,000 and \$1,500. Additionally, AFDC recipients may deposit up to \$5,000 in savings so long as the funds are used to purchase a home, start a business or finance a child's post-secondary education or training.

Recipients who work but have relatively low AFDC benefits can opt out of the program and still remain eligible for health care under the Medi-Cal program as well as other services--such as child care--that are available to regular AFDC clients.

Certain AFDC parents with children under the age of three can be required to participate in the JOB Opportunities and basic Skills Training (JOBS) program.

Program: Child Development Project

Highlight: The project extends to six new school districts, all of which contain youth at risk for alcohol and drug use and other behavioral problems, a school- and home-based program that has been shown to have substantial effects on a number of risk and resiliency factors among elementary school students. The program, in its fourth of five years of federal funding, received \$593,000 from HHS in FY 1995.

Success: This comprehensive program uses new approaches to discipline and social interaction to effect changes in student social and ethical development. Changes in management in the classroom begin with teacher training, followed by classroom implementation.

Prevalence of alcohol use declined by 7% from baseline among students at the

12 program schools, while increasing 4% among comparison students during this same period. Use of marijuana declined from baseline among program students while increasing among comparison students.

There was a steep decline from baseline through the second intervention year in carrying of weapons among program students in the high implementation program schools, compared with students in the comparison schools. There was a statistically significant decline in involvement in gang fighting between the high implementation program schools and the comparison schools.

Federal Emergency Management Administration

Program: Community Education and Mitigation Training

Highlight: The severity of the Northridge earthquake and continuous aftershocks generated great public concern over their citizens' vulnerability to additional earthquake damage. An aggressive community mitigation education program was implemented by the State and Federal staff immediately following the disaster. FEMA and OES joined together to educate the public on preventative measures to protect themselves as well as their homes, businesses and personal property. This support was also extended over to other program areas supporting mitigation activities including FEMA's Home Repair Program and SBA's Disaster Loan Program.

Success: Earthquake Service Centers set up to provide disaster relief information were provided with FEMA Mitigation Specialists (Architects, Engineers, Building Specialists) who provided technical assistance in eight languages to over 53,000 applicants. These specialists provided guidance on mitigation measures for earthquake retrofit, construction practices, and building code adherence. They utilized an extensive amount of literature, media materials, and hands on display models developed for this purpose.

Educational efforts extended beyond the centers into the community. Mitigation Specialists conducted bilingual workshops, made presentations to private industry, social and neighborhood organizations and business groups, participated in national and local trade shows and safety fairs and, became active in media opportunities.

Mitigation staff coordinating with State, local and private industry officials developed and presented new earthquake retrofit training courses. A training program was developed for the California Conservation Corps (CCC) members who then successfully performed non-structural retrofit work in 21 Los Angeles health clinics. In response to requests from many area contractors, we developed a unique professional retrofit training course for contractors and

building professionals. The course was co-sponsored by the local Building Industry Association and very well received in all three declared counties.

Program: The Urban Search and Rescue Program

Highlight: The Urban Search and Rescue Program began in 1990 in California in response to the needs identified after the Loma Prieta Earthquake for highly trained and specially equipped resources to search for, rescue, and medically stabilize victims of structural collapse or confined space entrapment.

Success: The multi-disciplinary teams are made up of three teams of 62 specialists in rescue operations, search dogs, technical search, structural engineering, hazardous materials, emergency medical, communications, technical information, safety, logistics, and heavy equipment. The equipment cache for each Task Force consists of \$700,000-\$1,000,000 in special tools and personal protection items.

The eight US&R Task Forces in California are part of FEMA's 25 Task Force system throughout the nation. These Task Forces have been used recently in the Oklahoma City Bombing incident, the Northridge Earthquake, and Hurricane Iniki. They receive high national and international public visibility.

Program: Standardized Emergency Management System (SEMS)

Highlight: SEMS is the system for managing a response to multi-agency and multi-jurisdiction emergencies in California. It incorporates elements of the Incident Command System (ICS).

Success: The Master Mutual Aid Agreement, existing mutual aid systems, the operational area concept, and multi/interagency coordination. Implementation of SEMS will encompass the entire scope of California government, from the local level to the state level, as well as private and volunteer concerns.

United States Information Agency

Program: Fulbright Teachers Program

Highlight: Each year teachers and students from throughout the state of California participate in Fulbright exchange programs. These programs foster mutual understanding between Americans and foreign publics.

Success: Barbara Peimbert participated in a Fulbright Teachers Exchange program in Finland during the academic year 1993-1994.

Ms. Peimbert wrote the following to us about her exchange: "I never realized the image that people outside the US had of us as a nation of people. When the attitudes were revealed to me, I felt part of my assignment was to clear up misconceptions... This program is helping to bridge gaps between societies. It allows us to see the similarities and differences and to learn to accept living with them as such."

Professor Howard Waitzkin participated in a Fulbright Scholars Exchange program in the American Republics region during the academic year 1993-1994.

Professor Waitzkin wrote the following of his experience: "Social medicine in Latin America has remained one of my strong research and teaching interests for more than twenty years. The Fulbright award permitted an in-depth period of study in Chile and other Latin American countries... The information gathered should be the basis of presentations and publications that will bring ... this field to the attention of many americans."

General Services Administration

Program: ENVEST-SCE: A Model of Energy Efficient Building

Highlight: The Chet Holifield Federal Building in Laguna Niguel, California is the first federal facility in the country to implement comprehensive water and energy efficiency solutions. It will be used as the model of energy and water conservation improvements for replication in other federal buildings. Several local utilities, led by Southern California Edison and its ENVEST-SCE division, are working with GSA to perform a complete conservation overhaul of the energy and water systems at the Holifield Federal Building.

success: The retrofit project in this 24-year-old building, -- a \$3.8 million capital investment -- will be financed by Southern California Edison and the local utilities companies, and paid for through saved energy costs. The federal government will incur no capital costs.

Energy bills, both gas and electric, for the one million square foot facility are expected to be reduced by 20%, representing an annual savings of \$550,000. Water consumption will be cut in half, saving \$24,000 annually. In addition this energy/water efficiency package will benefit the environment by reducing annual air emissions by tens of thousands of tons, and by saving millions of gallons of fresh water.

Program: Automated Building Controls Test

Highlight: The second largest office building in San Francisco -- the Philip Burton Federal Building and U.S. Courthouse -- will be the site for an extensive test of the inter-operability of automated buildings control systems provided by a consortium of equipment manufacturers. The experiment, budgeted at approximately \$4 million, is being conducted through a unique partnership between GSA and the Pacific Gas & Electric Company (PG&E).

Success: The purpose of the partnership is to implement research and development projects to the mutual benefit of the utility and the federal government -- with GSA offering the 1.3 million square foot, 22 story federal building as a test site, and PG&E providing design and project management services.

The National Institute for Standards and Technology (NIST) will use the site as a testbed demonstration for the American Society of Heating, Refrigerating and Air-condition Engineers' (ASHRAE's) "Building Automated Control Network" ("BACnet") standard. Simply put, "BACnet" is a standardized communication protocol for building automation systems which will document the energy and operating costs savings that can be achieved through "intelligent building" control. BACnet will interface with the utility company to facilitate the exchange of information, and control commands between the utility and the building's management and control system. At the same time, other partners will be testing various lighting technologies and control strategies and comparing actual energy savings relative to the building's baseline.

While maximizing energy savings is important, the primary objective in this project is to compile hard empirical data to help devise rigorous design specifications for building automation systems. The results of the GSA/PG&E/NIST) test could have far reaching implications for the building controls industry.

Program: Contracts for Environmental Assistance for Recycling, Transport and Handling (EARTH)

Highlight: EARTH contracts are designed to handle the day-to-day environmental needs of federal agencies at a reasonable price with a high level of customer satisfaction. EARTH contracts will offer a range of services -- qualified hazardous waste disposal contractors, laboratory analysis, environmental training, environmental plans preparation, and qualified on-site remediation contractors.

Success: The transport, handling and disposal of hazardous waste is a very sensitive and highly regulated process at all levels of government. With GSA's EARTH

contracts federal agencies will have a contract vehicle in place to achieve economies of scale, and to allow them to dispose of their hazardous materials in a safe, fast manner. The Environmental Protection Agency has encouraged GSA in its endeavor to establish environmental service contracts, not only for EPA use, but for the benefit of other federal agencies who generate hazardous waste.

EARTH contracts are the initiative of a quality team in GSA's Federal Supply Service who saw a need to better serve GSA's customer -- the federal agencies -- by providing a cost effective and easy method for handling their hazardous waste. The team, consisting of environmental, contracting, and contract administration specialists, as well as legal counsel, set out to determine the need of the customers, and the feasibility and scope of services available through private contractors in an attempt to create a quality contract vehicle that is simple, fast and safe to use.

GSA's expertise is in contracting and contract administration. EARTH contracts help curtail the procurement redundancies in government environmental activity, and free EPA and the other agencies using the contracts to focus on their primary missions. GSA staff oversees the contracts and provides the professional and technical expertise -- both environmental and procurement -- to the customer agencies

Program: Child Care Program

Highlight: In support of GSA's goal to create a family friendly work environment for federal employees, a professional child care staff in the Pacific Rim Region provides ongoing technical assistance to six child care centers located at GSA-controlled federal facilities in Menlo Park, Laguna Niguel, Sacramento, San Francisco and Los Angeles, California, and in Honolulu, Hawaii.

success: The six centers serve approximately 470 infant through school age children. Children of federal families receive enrollment priority, with remaining spaces open to the general public.

GSA's professional staff provide guidance and technical assistance on center design, meeting family needs, retaining quality teachers, and implementing developmentally appropriate curriculum.

New California centers are planned for Hawthorne, Richmond, San Diego and downtown Sacramento, as well as Phoenix, Arizona.

Program: Small and Disadvantaged Business Program

Highlight: GSA contracts an increasing percentage of its business to small, minority, and women owned businesses. Contracts include janitorial, building repair and alteration, building maintenance, architect and engineering, construction, guard service, information technology services, telecommunications, transportation and travel management, vehicle repair, and a wide range of products purchased for use by the federal government.

Success: Last year \$276 million (48%) in Pacific Rim Region contracts were awarded to small businesses, of which \$46 million went to minority and women owned businesses.

The Region holds annual business outreach conferences and monthly business breakfasts for small and minority business men and women in Los Angeles, San Francisco and Phoenix.

The Region hosts networking conferences during the solicitation process on each major Architecture and Engineering contract and Building Construction contract to bring together potential prime contractors with small, minority and women owned sub-contractors. Conferences were held this year for federal building projects in San Diego, Santa Ana, Sacramento, San Francisco, Phoenix, Tucson, and Las Vegas.

Program: Information and Computer Technology Support

Highlight: Computer scientists under contract to and managed by GSA Pacific Rim's Technical Services Division are engineering a network architecture for the Environmental Protection Agency (EPA) to monitor trans-border environmental issues along the US - Mexican border mandated by the NAFTA Treaty. Currently, transportation and disposal of hazardous waste and other pollutants are monitored on a manual reporting basis between the Mexican and U.S. Governments. Typically, EPA receives notification from the Mexican Government of a hazardous waste transport approximately four to six months after its disposal.

Success: With the ITS network in place, EPA will be notified immediately of a shipment at the point of origin, so that appropriate environmental safeguards on the U.S. side can be activated if necessary.

The State Department, World Bank, and other international governmental agencies will also be able to access and benefit from this new network. The savings lie in the avoidance of duplication among the international and

environmental agencies. Information and resources can be shared efficiently and effectively using this global network architecture.

With the assistance of this network, EPA and the other international and environmental agencies can accomplish their mission to protect the health and safety of U.S. citizens -- better, faster and in a more cost effective manner.

Program: Information and Computer Technology

Highlight: Under its information and computer technology support services program, GSA Pacific Rim developed a computerized Health Information System for the Defense Health Resources Study Center in Monterey, California. The system is designed to examine the public and private health care environment and provide comprehensive, integrated analyses and syntheses of issues affecting decision-making, education and technology in the field of health care delivery. This state of the art technology has been nationally recognized as leading edge in the field of health care information.

Success: The system can determine the preference for medical services, satisfaction rates, and self assessments of health. It can produce information on DOD's nationwide beneficiaries, their use of its health programs, and a variety of other health care survey requirements.

The data from this system was used in developing President Clinton's Health Care Plan. The survey information is being used on a nationwide basis, expanding to other federal agencies, through the assistance of the Naval Post Graduate School, for a variety of survey needs.

The Naval Post Graduate School and GSA Pacific Rim Region received the following awards for their work:

The National Hammer Award for Reinvention in Government

1994 Federal Technology Leadership Award from Government Executive Magazine

Veteran Affairs

Program: Consolidation of VAMC Palo Alto and VAMC Livermore

Success: A request to consolidate these two VAMC's has been approved by the Secretary resulting in several benefits to veteran patients. Health care services are now networked and improved shuttle service provides Livermore veterans better access to specialty services at Palo Alto. Primary care and specialized ambulatory care are enhanced at Livermore. Each patient has a single record and a single Decentralized Hospital Computer Program supports the new health care network. Many redundant positions have been eliminated.

Program: Primary Care Clinic at Ft. Ord

Success: Under provisions of the Base Closure Act, VA Palo Alto Health Care System acquired the Consolidated Troop Medical Clinic at Ft. Ord for use as a primary care clinic, drug rehab center and mental health center. The clinic will provide improved access to health care for 30,000 in a designated medically underserved area. Contractual costs such as fee basis and contract hospitalization will be significantly reduced.

Program: Replacement VA Medical Center/DoD Joint Venture

Success: The VAMC (Northern California Health Care System) in Martinez was closed in 1991 because of seismic safety deficiencies, leaving 420,000 veterans in Northern California without a VAMC in their catchment area. Travis Air Force Base, with a state-of-the-art DoD Medical Center, was selected as a replacement hospital because of its geographical location and the opportunity to save construction and operating dollars through VA/DoD sharing.

Program: Stand Down

Success: San Diego was the first city in the nation to conduct a Stand Down weekend for homeless veterans, and the San Diego Regional Office in partnership with the Medical Center has hired a Homeless Outreach Coordinator. The program provides a wide range of services to homeless veterans.

Program: TAP/DTAP Briefings

Success: San Diego leads the nation in transition assistance briefings, providing counseling to service men and women. The continued downsizing of the military has significantly impacted the San Diego Regional Office. During 1994, the RO conducted 96 Disabled Transition Assistance Program briefings with 2,880 separating service members.

Program: Team Approach to Adjudicating Claims.

Success: The Los Angeles Regional Office formed teams in the Adjudication Division in April 1995, thereby reducing their pending claims by 1000 cases. Cases over 180 days old have been reduced by 200.

Program: Redesign of Loan Guaranty Division

Success: An effort to redesign the Loan Guaranty Division at the LA Regional Office is

underway and several improvements are already evident. Payment to brokers who handle VA properties is now made at closing instead of weeks later and the division has achieved some notable successes in reducing backlogs. The filing system has already been reengineered. A file which once took 30 days to locate can now be located within a day, and in the next six months, the station will move its files to an area where most employees are located, thus freeing up space at a savings of almost \$150,000 to VA.

Program: Team Approach to Adjudicating Claims

Success: As a result of the January 1994 earthquake, a number of employees at the LA Regional Office were assigned to a more remote site in Valencia. Performance by employees at the remote site has consistently been above average and plans are to expand the "mini-regional office" concept to other areas where sizable veteran population exists. Remote sites provide greater accessibility to veterans throughout Southern California, space costs are cheaper (the Valencia site costs \$13 per square foot compared to \$29 per square foot in West LA), and employees commute time is greatly reduced.

Case Management: The Oakland VA Regional Office's Management Unit combines job functions normally performed by two different divisions to expedite the award of benefits and process a claim while the veteran or dependent is present. Claims which once required several weeks to process can now be done "on the spot."

Veteran Home Loan Guaranty: With loan interest rates in 1993 and 1994, the Loan Guaranty Division of the Oakland Regional Office was overwhelmed with loan volume. A Loan Processing team developed a nationally adopted speed-up procedure now used by all VA Regional Offices and all private lending institutions nationally.

Small Business Administration

Program: Low Documentation "LowDoc" Loan Program

Success: 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.

Program: SCORE Counseling & 7(a) Loan:

Success: SCORE is a volunteer program sponsored by the SBA that matches volunteers with small businesses that need expert advice. SCORE, through its California network of 25 Chapters and 55 Counseling Centers, provides counseling services focused primarily, but not exclusively, on the needs of individuals interested in going into business. SCORE, utilizing its excellent Pre-Business Workshop, has provided training to hundreds of individuals directly affected by defense downsizing and defense conversion.

"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).

Program: Access to Capital

Success: 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.

Program: Small Business Innovative Research & Government Contracting

Success: Small Business Innovative Research (SBIR) strengthens the role of small, innovative companies in federally funded R & D. It develops a stronger base for technical innovation and wider commercialization of the ideas generated in the federal R & D system. SBA works with other government agencies with \$20 million or more in contracts to enhance the United States' ability to compete in the global marketplace in the field of Research and Development. SBA also helps small business receive the maximum practical opportunity to participate in federal contracts as subcontractors and suppliers.

During FY 1993 (the most recent available figures), 868 SBIR awards were made to small California R & D firms from eleven different federal agencies. These awards totaled more than \$882 million.

Metrolaser is a research and development company, specializing in lasers and optical diagnostic instruments and a variety of measurement and experimentation systems. Owner Cecil Hess successfully guided the company

from Phase I into Phase II commercialization. He has led the worldwide commercialization of laser-based instrumentation, and Metrolaser's scientific teams have an international reputation for excellence.

Metrolaser won the National Small Business Prime Subcontractor Award in 1995. It has working agreements with five major universities and is the prime contractor with USAF Phillips Laboratory. It supported the first international microgravity lab on the space shuttle in 1992. The company's sales increased from \$601,000 in 1988 to nearly \$4.9 million in 1994.

Office of National Drug Control Policy

Program: CSAP/ High Risk Youth Demonstration Projects

Success: This program promotes attachment to the school community. Trains school staff in revised teaching practices that include cooperative learning activities to enhance interpersonal understanding and a constructionist approach to learning in the classroom use of alcohol and marijuana declined while increasing among comparison students. Significant decline in carrying weapons and involvement in gang fighting.

Program: Community Prevention and Demonstrations Branch

Success: This program systematically collects data on alcohol-related problems from police reports and uses them to plan for community level prevention of alcohol problems. Police training curriculum on alcohol was reviewed and revised to accurately reflect alcohol-related problems in community. DAY ONE'S recommendation influenced the city council to limit the concentration of liquor outlets.

Program: CSAP Maternal and Child Health Bureau

Success: Increases availability and accessibility of prevention early intervention, and treatment services for alcohol and other drug using pregnant women and for their infants. Implemented a coordinated and expanded aftercare component that addresses the multifaceted needs of women and their children decreased incidents of infants affected by maternal substance abuse.

Program: HIDTA

Success: Federal, state and local collocated effort to combat drug trafficking; received 12 million. CRIMINAL JUSTICE AND TREATMENT AND PREVENTION NETWORK

Department of Labor

Program: Non-traditional Employment for Women

Success: Under the \$300,000 NEW grant to the California State Job Training Division/Employment Development Division, six service delivery area (SDA-PIC) programs have been selected to test different ways of helping women gain entry into nontraditional jobs.

The Alameda County PIC received a portion of the grant which was used for this project. JTPA Title II funds were also utilized.

The Mission Valley Regional Occupational Program was awarded \$168,000 for 42 enrollees in a program that lasts from September, 1994 through June, 1995. Two month unpaid internships were arranged for some program participants, and to date more than half of the trainees have been placed in jobs.

A brief chronological description of Chris Gambert, a mother who graduated from the welfare rolls to a paying job follows:

August, 1994 - A flyer was received on this program with her welfare check

September, 1994 - Welfare recipient started welding training

November, 1994 - Chris was hired as a TIG welder at \$10.00/hr. plus benefits

January, 1995 - The title of journeyman TIG welder was added to her name

May, 1995 - Proud "mom" is now earning \$12.00/hr. plus benefits

Program JTPA Title III Defense Conversion Adjustment Project

Success: Mr. Meider was employed as a Business Manager with Lockheed Missiles and Space Company working on both the Hubble Space Telescope Project and the Assured Crew Return Project and was earning approximately \$60,000 per year.

After being laid-off from Lockheed, Mr. Meider enrolled in the NOVA DCA project and spent ten months at the University of California Santa Cruz

Extension Program where he earned a Marketing Certificate in Business Management in April 1995.

Mr. Meider is now employed as a program Manager for the Advanced Technology Group at Apple Computer in Cupertino and earning approximately \$90,000 per year. His new job is to lead his group in developing new business ideas for the coming decade, particularly investigating roles the company might play in linking up with the state-of-the-art technologies from other companies.

Department of Energy

Program: Oakland Operations Office

Success: Overview: Lawrence Livermore National Laboratory works to develop instrumentation, techniques, and methodologies that result in the early detection of nuclear, biological, and chemical weapon production by foreign countries and that provide the means to determine weapons treaty compliance.

- The Laboratory develops radiation techniques to detect and characterize nuclear materials from their intrinsic nuclear radiation.
- The Laboratory develops various tools and performed various signature experiments to provide techniques and methodologies to determine compliance to the Comprehensive Test Ban Treaty via seismic detection.
- The Laboratory establishes a program to develop an unattended ground sensor system that is modular and supports a variety of sensors.

Program: Oakland Operations Office

Success: Overview: Restructuring activities are underway at Lawrence Livermore which has performed research, development, and testing of nuclear designs of all phases of the nuclear weapon life cycle and associated national security activities.

- The Galvin Task Force recommends the study of a careful phase-down of some of Lawrence Livermore's nuclear weapons work, combined with a reemphasis on nonproliferation, counter-proliferation, and verification activities; Department will formally respond to Task Force recommendations in the near future.
- The Department maintains that timing and details of phase-down at

Lawrence Livermore will depend on an assessment of how to best meet continuing national defense requirements in the absence of nuclear testing.

- The Laboratory continues to play a major role in the Department's Technology Transfer efforts, the Human Genome Program and research efforts directed at Global Warming.

Program: Fossil Energy

Success: Overview: Administration proposes to operate the Naval Petroleum Reserves in a "caretaker" status and to corporatize and sell or lease them by FY 1997.

- Naval Petroleum Reserves Number 1 (Elk Hills), managed and operated by Bechtel Petroleum Operations, provide an emergency source of liquid fuels for the U.S. Armed Forces.

FY 1995 budget is \$173 million, with a portion of these funds used to maintain Reserves in Casper,

- Naval Petroleum Reserves at Elk Hills, California, support savings of \$10.6 billion over five-year phase of Reinventing Government.

Program: Oakland Operations Office

Success: Overview: The Energy Technology Engineering Center, in Canoga Park, is multiprogram field laboratory managed and operated by the Rocketdyne Division of Rockwell International, designed for applied engineering development of emerging energy technologies.

- The Center tests and develops energy sources that promise energy efficiency and environmental benefit, including natural gas and hydrogen energy technologies.
- The infrastructure of the Center is suitable for development of virtually all types of energy-development activities.
- The Center features Kalina Cycle Pilot Plant, a program that demonstrates thermodynamic efficiency that can be applied to improve the performance of virtually any fuel.

Program: Oakland Operations Office

Success: Overview: The National Ignition Facility is a new multipurpose laser located at Lawrence Livermore National Laboratory, and will help assure long-term reliability, safety, and effectiveness of the nuclear weapons stockpile in the absence of underground nuclear testing.

- The facility will simulate, on a very small scale, the extraordinary temperatures and pressures that occur during the detonation of a nuclear weapon.
- The facility will funnel three-quarters of Facility's funding to America's manufacturing, engineering, and construction industries.
- The facility will allow America to retain its role as a world leader in the development of laser fusion as an environmentally attractive energy source.

Program: Oakland Operations Office

Success: Overview: The Stanford Linear Accelerator Center, operated by Stanford University for the Department of Energy, is an internationally-famed research facility, four of whose scientists have won Nobel prizes for research conducted at the Center.

- The Center is the site of new B-factory, a high energy physics accelerator that will perform collider experiments that may lead to an understanding of the universe's matter.
- The new B-factory is now being completed by the Center, in collaboration with other famous research institutions, including Lawrence Berkeley Laboratory and Lawrence Livermore National Laboratory

Program: Oakland Operations Office

Success: The Lawrence Berkeley Laboratory, managed and operated by the University of California, provides numerous and invaluable contributions to national scientific research and development.

- The Laboratory develops and operates national experimental facilities.
- The Laboratory performs multidisciplinary research in the general,

energy, and life sciences.

- The Laboratory trains scientists and engineers.
- The Laboratory fosters productive relationships between the Laboratory and industry.

Department of Housing and Urban Development

Program: L.A. Earthquake Relief Effort "Mobility Plus"
Success: HUD Helps Los Angeles Provide Permanent Home for 106 Year Old Northridge Earthquake Victim -- Success of the Mobility and Mobility Plus Program

Mobility Plus is an initiative specifically designed to help displaced families of the L.A. Earthquake move from temporary housing situations (with federal rental assistance) to permanent housing. (see California Activity for more details).

106 year old Louise Mahler lived in the same apartment for 40 years, before it was destroyed by the LA Earthquake. Her 75 year old son, Malcolm, lived in the same building in the next apartment, and both were left homeless by the January 1994 jolt. Louise feared that there was no shelter to be found.

HUD, through its Mobility Program, was able to find Louise and Malcolm a new apartment immediately with emergency Section 8 rental assistance. Unfortunately, right before Louise moved into her new apartment, Malcolm was diagnosed with cancer and was transferred to a nursing home. HUD, through its Mobility Plus Program, and with the help of area nonprofits and supportive service agencies, has made arrangements with the landlord to allow Louise to stay in her new apartment after her Section 8 assistance terminates. In addition, St. Joseph Center, the mobility agency which has provided a great deal of care to Louise, will continue to provide such services as purchasing groceries, preparing meals, and running errands for her, to ensure that Louise can remain living on her own. As Louise recently said, "I never, never realized -- I guess I was just selfish about people -- I never thought they were so kind."

Program: Operation Safe Home

Success:

- a. Reducing Gang Activity in Los Angeles Public Housing

OPERATION "CRASH" (Community Resources Against Street Hoodlums) is

a joint law enforcement activity in Los Angeles between the Los Angeles Police Department (LAPD), HUD OIG, FBI, and ATF. The task force has approximately 25 full-time personnel assigned to it. The task force is designed to focus upon the reduction of gang activities in Los Angeles housing authority properties.

From the inception of the task force through the end of January 1995, the combined law enforcement operations served 32 search warrants for drugs and/or weapons, seized 26 weapons, substantial amounts of drugs, in excess of \$200,000 in cash, and made 67 arrests.

b. Fighting Gang Crime in East L.A.

OPERATION "East L.A." is a joint law enforcement activity between HUD OIG and the Los Angeles Housing Authority Police (LAHPD) designed to focus on the identification and reduction of gang activities in East Los Angeles public housing. To date, the operation has been responsible for 69 arrests, the seizure of 1 semi-automatic weapon, and the seizure of quantities of rock cocaine and PCP.

c. Arresting Violent Fugitives in San Francisco

OPERATION "FRET" (Fugitive Recovery Enforcement Team) is a joint law enforcement activity involving approximately 30 officers from the San Francisco Police Department (SFPD) and California Probation Department and agents from the U.S. Marshal Service (USMS), FBI, ATF, DEA, and HUD/OIG. Operation FRET is designed to identify, locate and arrest known violent fugitives residing in, or hiding in, San Francisco public housing.

From the inception of Operation Safe Home through the end of January 1995, five search warrants have been served by team members, with 332 arrests having been made. Incident to the arrests, seven weapons and \$6,200 in cash have been seized. Quantities of drugs have been seized incident to virtually every arrest and search.

More recently, on April 18-19, 1995, the San Francisco Police Department conducted a fugitive apprehension sweep with members of the FRET team. Five people from three different public housing complexes were arrested. Two persons were arrested at Hunters View, one at Sunnydale, and two at Bernal Dwellings. All five were charged with parole violations. The search resulted in the recovery of a small quantity of rock cocaine, \$4,000 in cash, a loaded semi-automatic weapon, and several boxes of ammunition.

Department of Defense

Program: Civil-Military Cooperation Program (CareForce)

Success: The sustainment training and continuing medical education aspects of this partnership clearly support wartime medical readiness as well as enhanced local disaster response capability. Linked to MERLIN, an innovative computer trauma simulation trainer, and Arch Angel, a casualty management assessment exercise, CareForce is a proactive Civil-Military cooperative program designed to enhance wartime, deployment readiness of our medical forces.

- Primary sites were selected on the basis of need and experience with trauma/disaster medicine. CareForce provides support to medically underserved Americans in the embattled cities of our nation while enhancing readiness training of National Guard personnel.
- Fresno is the solitary site in California selected for this pilot program.
- A team well-trained in basic casualty management skills has begun working side-by-side with the Emergency Management System (EMS) and trauma center personnel in Fresno, California.

Program: Defense Production Act, Title III Program

Success: All the contracts associated with the Defense Production Act, Title III program were authorized by the President to establish or maintain domestic production capacity for items essential to national defense.

- Using these authorities and funds appropriated for Title III, the Department of Defense awarded a multi-year contract to DWA Composite Specialties of Chatsworth, California.
- DRA's \$19.2 million contract began in 1989 and ends in May of 1996. DWA employs 20 people associated with this project. This contractor, as others participating in the program will subcontract out some portion of the effort involved in these projects.
- The DoD Title III funds will be used for improvements in technology processes, product quality and certification testing.
-

Program: Turboalternator For Electric Hybrid Vehicles

Success: The Technology Reinvestment Project (TRP) is a nation-wide program to increase DoD's access to affordable, leading edge technology by leveraging

commercial know-how, investments, and markets for military use. Over 250 California organizations participate in the TRP.

- This project will develop a 10 KW turboalternator that can be used in hybrid vehicles and as Auxiliary Power Unit (APU) for the Army's M1A1 tank. The turboalternator design is quite innovative. Features include air bearings (no oil required), two pole toothless generator with an efficiency of 95 percent, and no gearbox.
- The turboalternator also has an air bleed capability that can be used to run the nuclear, biological and chemical overpressure system. The APU will provide quiet, efficient, and low IR-signature power for electronic systems instead of running the tank's large turbine engine.
- The commercial hybrid application demands efficiencies and refinements that will be passed on to the military APU version. Affordability and availability gains will be particularly important in expanding its use to other military vehicles, such as the Bradley Fighting Vehicle.

Program: Small Business Innovative Research (SBIR) Program and Small Business Technology Transfer (STTR) Program

Success: SBIR and STTR have funded numerous projects in CA. They include:

- Nielsen Engineering & Research, Inc., Mountain View. One result was a Navier-Stokes aerodynamic prediction code (TMRC) that employed a high accuracy numerical algorithm and accommodated a variety of turbulence models. The capabilities led NEAR to do business with McDonnell Douglas computing unsteady impinging jet flows. Because the fundamental concept for the numerical algorithm in TMRC turned out to be very successful, this led to other research contracts, including several from NASA. The research done under an SBIR contract has led to development of improved turbulence modeling for impinging jets. One copy of TMRC has already been licensed for \$10,000. As a result of the SBIR contract, NEAR attributes \$750,000 of business, with six customers in government, industry and education.
- HNC, Inc., San Diego: Completed project to develop an image processing chip set which provides traditional and neural network image processing capabilities. Since the HNC Vision Processor (ViP) chip set's introduction (fall of '92), the ViP has been a successful product. Seventy-five percent of their business is commercial, and most of their other activities are government projects won in open, non-SBIR competitions against larger companies. They use the SBIR to develop new technologies and products to enhance their competitiveness.
- ViaSat, Inc., Carlsbad: Approximately 60 employees. The company received

awards from the Navy exceeding \$15M. Awards are primarily in the communication areas: A. EIP development from SPAWAR; B. Voice/Data ATD from NRL; C. CES contract from NAWC.

- Power Spectra, Inc., Fremont: Developed a bulk avalanche semiconductor switch activated by a laser. The switch can deliver a kilovolt in less than a nanosecond and can achieve this in excess of a billion times during its life. Contract with Boeing Co. in excess of \$25M based on this development. The Air Force has also provided Power Spectra a multi-million dollar contract for microwave devices because of their SBIR recognition.

- Savi Corp., Palo Alto: Developed an asset management system for location of items in warehouse or shipment. The system utilizes ID computer chips called "Ty Tags" which can be interrogated by a hand held unit and store maintenance information on the chip. The development has been used in Somalia and is in use in Bosnia.

- Bigger Than Life/Monger Industries Joint Venture, San Diego: Joint venture led to development of decoys & targets. Developing F-15 and F-16 decoy aircraft for the Air Force.

- Ortel Corp., Alhambra: Began selling 20GHz photodiodes commercially in mid 1992. Developed the two receivers that have been sold for about \$5,500. Project sales are about 50-100 units in 1995.

- TACAN Corp., Carlsbad: Has seen the emergence of a versatile inexpensive thermometer product line with a variety of probes available to meet a wide range of temperature measurement applications. New product line has been developed for the IPITEK division. Sales began in third quarter FY93.

- Wyatt Technologies, Santa Barbara: Privately held and has experienced 25% compounded growth over the last 10 years. All revenues are derived from commercial instrument sales - all of which began with the SBIR program.

- Lightwave Electronics Corp., Mountain View: Sold a dozen Series 123 laser systems and additional 50 orders are on backlog for the Government, university and industry in the US

and abroad. Each unit ranges from \$12.5k to \$17.5k.

- Precision Navigation, Mountain View: Procurement of additional compasses for \$50,000 from the Soldier Enhancement Program. Company has expanded from two people prior to receiving the SBIR contract to 25 people as a direct result of this project.

- Fermionics Corp., Simi Valley: Since June 1991, has seen funding of \$1.1 million from commercial customers in the infrared industry in the U.S. and abroad. Fermionics has also established important technical base and production capability for high performance HgCdTe detector arrays.

- Ultramet, Pacoima: Contracts to demonstrate the feasibility of fabricating the high temperature rocket engine thrust chambers with an oxidation-resistant coating of iridium produced by chemical vapor deposition (CVD). Ultramet's innovation was a quantum leap in rocket engine development-- offered the Air Force more efficient engines requiring less fuel, thus weight reduction. The new technology permitted a reduction of 75 pounds of fuel at \$30,000 per pound. This means a minimum savings of \$2 million per satellite launch. Technology developed under SBIR has been applied to rocket engines for NASA, Rocketdyne Aer-ojet, TRW, Boeing, Thiokol and is currently being sold to commercial satellite manufacturers.

- Eidetics International, Inc., Torrance: Developed and patented an innovative display concept, Virtual Dome. The additional air combat training capability provided by Eidetic's Virtual Dome display over conventional low cost simulators was a positive factor in winning the Air Force's F-15/F-16 Unit Training Device program that has a long term potential value to Eidetics of greater than \$30 million in sales. This technology generated additional sales and interest from gov't research centers and major aerospace corporations around the world.

- Silicone Valley: Two small Silicon Valley firms report intense venture and other capital interest in their technologies. One had a vetting visit from a prominent electronics businessman and the other, a one person firm last year, has three companies bidding for its cryocooler technology. The companies want anonymity.

Department of Interior

Program: AmeriCorps

Success: 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.

Program: Bay/Delta Protection Plan

Success: 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.

The Bay/Delta Protection Plan was supported by agriculture, business, financial, and environmental interests, and the regulatory agencies. The BDPP showed that Federal and State agencies can work together to resolve difficult problems and that the Endangered Species Act allows for a workable process.

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.

Program: Coastal Sage Scrub/Gnatcatcher Program.

Success: 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.

Department of Commerce

Program: CALFED Bay/Delta Program

Success: CALFED Bay/Delta Program is a cooperative program designed to resolve environmental problems created by State and Federal projects which export water from the San Francisco Bay/Delta Estuary. The State-Federal Cooperation was formalized in June 1994 with the signing of a Framework Agreement by state and federal agencies to ensure cooperation in three areas: 1) water quality formulation, 2) coordination of water project operations, and 3) long term planning. This program is expected to have a direct positive impact on salmon and steelhead trout which are, or will be, listed as endangered or threatened under the Endangered Species Act. Recovery of these economically important resources will require an unprecedented level of cooperation among private interest groups and all levels of government from cities through the Federal government.

In arriving at this agreement NOAA and the Fish and Wildlife Service demonstrated a new approach to the administration of the Endangered Species Act with increased flexibility and public involvement to define impacts, develop a water quality plan to mitigate the impacts, and identify a reliable water delivery schedule that was consistent with the water quality plan, to provide for recovery of threatened and endangered species and restoration of the degraded Bay/Delta ecosystem.

The State and Federal governments are working together to identify management options for ensuring the long term recovery of the Bay/Delta Ecosystem and long term reliability in the water supply. This process is designed to be completed within the three year water quality criteria review cycle under the Clean Water Act.

Environmental Protection Agency

Program: Clean Water Act, NPDES Program, Enforcement

Success: The Louisiana-Pacific Corporation has converted its pulp mill in Samoa, Humboldt County to become the first mill in North America to produce pulp, on a full time basis, without the use of chlorine.

Chlorine is used in the manufacturing process to bleach the pulp. However, it is also a precursor to the formation of dioxin and other toxic compounds in mill wastewater that can be extremely detrimental when discharged to the aquatic environment.

Louisiana-Pacific (now using hydrogen peroxide as its primary bleaching agent) undertook the improvements to its facility in response to a lawsuit filed by EPA under the Clean Water Act. However, the company has gone far beyond its legal obligations and is carving out a niche for this mill as the "greenest" pulp mill in America.

Louisiana-Pacific is currently taking the pollution prevention process a step further and is in the midst of a project to recycle all wastewaters from the mill's bleach plant. When this conversion is completed, the mill will be the first in the world to have achieved this milestone.

Program: Toxic Source Reduction

Success: EPA awarded the **Ethnic Coalition of Southern California** a \$30,000 grant to increase public awareness of the dangers of lead and the use of local resources for mitigating the effects of lead exposure in people of color and communities at high risk. Lead abatement is important because lead poisoning is the single most serious environmental threat to this country's children.

The targeted communities are the Latino, African American, and Asian Pacific residents of five areas of Los Angeles. **The Coalition** will conduct a series of workshops focusing on disseminating information and increasing public awareness of the hazards of lead.

- This program will help ensure that children, especially inner city minority children -- those at highest risk -- remain safe and healthy, by educating the community on how to prevent

exposure to lead.

Program: Superfund

- 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.

Program: Superfund

- The San Gabriel Valley Superfund site is one of the largest areas of groundwater contamination in the country.
- EPA has identified 75 companies responsible for the contamination, adopted a joint cleanup/water supply plan that provides for cleanup and helps satisfy local water supply needs, and used a mix of private and public funding to begin the design of long-awaited, multi-million dollar cleanup facilities.
- The cleanup will require the construction and operation of groundwater extraction, treatment and distribution facilities capable of treating approximately 27 million gallons per day of contaminated groundwater, enough water to serve well over

100,000 **San Gabriel Valley** residents.

- EPA has taken several widely-applauded steps to minimize the impact of the contamination on business investment and economic growth in the **San Gabriel Valley**. EPA has worked with local business and consumer groups to ensure that those responsible for the contamination pay their fair share, and those with limited responsibility are not unfairly forced to pay.
- EPA has also entered into two Prospective Purchaser Agreements with two local businesses interested in purchasing the property. These agreements will exempt the two companies from liability for past pollution on the **San Gabriel Valley** site. By taking this action, these local companies will be able to move onto the site and not be held liable for the on-going clean-up of the contaminated portion of the property.

Contacts

California

Treasury	Sandy Mancini	(202) 622-0059
Defense	Helen F. Forbeck	(703) 693-7331 or 7332
Justice	Liz Hyman	(202) 514-4995
Interior	Grace Garcia	(202) 208-3181
USDA	Billy Cox	(202) 690-2302
Commerce	Ed Levy	(202) 482-6288
Labor	Liz Gonchar	(202) 219-6141
	Ed Flynn	
Transportation	Judi Gold	(202) 366-9497
HHS	Jeff Merkowitz	(202) 690-7699
HUD	Amy Liu	(202) 619-8055
Education	Catherine Jovicich	(202) 401-0039
Energy	Richard Rosenzweig	(202) 685-9168
VA	Linda Kaufmann	(202) 273-4869
	Lee Jones	(202) 273-4800/273-5132
EPA	Courtney Manning	(202) 260-7960
GSA	Diana Sciocchetti	(202) 501-0800
ONDCP	George Kosnick	(202) 395-6795
OPM	Doug Walker	(202) 606-1000
USIA	Pamela Sklar	(202) 619-5629
FEMA	Elizabeth Edge	(202) 646-2695
SBA	James Breedlove	(214) 767-7611