



Studies in the News

California Research Bureau, California State Library

Issue 14-132

August 13, 2014

Contents this week:

CRIMINAL JUSTICE & LAW ENFORCEMENT

Cybercrime lucrative, largely eludes the law

ECONOMY

Strengthening CA economy, ranked 8th largest in the world

EDUCATION

50 state review: charter school policy trends

EMPLOYMENT

Foreign Direct Investment creates over 593,000 CA jobs

ENVIRONMENT

New update to CA's climate change response strategy

GENERAL GOVERNMENT

Exploring ways to boost retirement savings for defined contribution plans

HEALTH

Alcohol, tobacco regulations provide models to regulate marijuana

CHIP offers better coverage than ACA exchanges

HUMAN SERVICES

Changes in school lunches face greater challenges at rural schools

TRANSPORTATION & INFRASTRUCTURE

Bike lanes: policy guidance, recommendations

VETERANS

CBO: trends & policy options of vet disability benefits

CRIMINAL JUSTICE & LAW ENFORCEMENT

“Wild Wild Web: For Now, Cybercrime Has the Upper Hand in Its Duel with the Law.” By Lillian Ablon, et al. *Rand Review* (Summer 2014) 12 p.

<http://www.rand.org/pubs/periodicals/rand-review/issues/2014/summer/wildweb.html>

“The markets for cybercrime products and by-products have become so pervasive and accessible that the malicious hacking trade today can be, in certain respects and for some, more lucrative and easier to carry out than the illegal drug trade.... It has matured into specialized markets, in which those who have gained the greatest access deal freely in the tools and spoils of the trade.... Law enforcement agencies could explore the costs and benefits of establishing fake forums, fake websites, or other cyber sting operations.... [They] will also need to determine whether it is more effective to pursue the small number of top-tier cybercriminals or the large number of lower-tier participants.”

ECONOMY

California Once Again the World's 8th Largest Economy. Center for Continuing Study of the California Economy. July 2014. 4 p.

<http://www.ccsce.com/PDF/Numbers-July-2014-CA-Economy-Rankings-2013.pdf>

California's economy is strengthening; the state ranked as the world's eighth-largest economy in 2013, ahead of Russia and Italy. The United States retains its place as the world's top economy in 2013, with a GDP of \$16.8 trillion, far exceeding second place China with a GDP of \$9.2 trillion. The world's top 10 economies are the United States, China, Japan, Germany, France, UK, Brazil, California, the Russian Federation, and Italy. With the European economies experiencing slow growth, California may continue inching its way up. California's gross state product of \$2,203 billion (the value of all goods and services produced in the state) outpaced the nation in growth in 2013.

EDUCATION

Trends in State Charter School Laws: Authorizers, Caps, Performance-based Closures and Virtual Schools. By Kathy Christie, et al. Education Commission of the States. June 2014. 6 p.

<http://www.ecs.org/clearinghouse/01/13/13/11313.pdf>

"Forty-two states and the District of Columbia have enacted charter school legislation. ECS analysts reviewed laws in the 50 states in creating an online database that highlights how state charter school laws vary, particularly in how states establish standards and accountability for charter school authorizers, allow for appeals, provide assistance with start-ups and fund charter schools.... A growing number of states are establishing standards and reporting requirements that authorizers must adhere to. Other rapidly evolving policy areas discussed in this brief are limits or 'caps' on the number of charter schools allowed in a state, automatic performance-based closures and virtual or 'cyber' charter schools."

EMPLOYMENT

FDI in U.S. Metro Areas: The Geography of Jobs in Foreign-Owned Establishments. By Devashree Saha, et al. Brookings. June 19, 2014.

Report. 64 p.:

<http://www.brookings.edu/~media/research/files/reports/2014/06/20%20fdi%20us%20metro%20areas/metrofdi.pdf>

Profiles: <http://www.brookings.edu/research/reports/2014/06/20-fdi-us-metro-areas-saha-fikri-marchio>

Foreign Direct Investment (FDI) occurs when a foreign company invests in a U.S. business enterprise either by opening a new operation or through a merger or acquisition. The foreign company must hold a majority stake in the U.S. operation for it to be considered "foreign-owned." "California alone contained nearly 600,000 jobs in FOEs [Foreign-owned Establishments] in 2011, far ahead of Texas, with 462,000 jobs in FOEs, and New York, with 412,500 jobs in FOEs. Together these three states were home to 26% of all jobs in FOEs in the United States, slightly above their share of total national employment." The top five industries in California by jobs in FOEs were investigation and security, grocery stores, restaurants, commercial banks, and computer systems design.

ENVIRONMENT

Safeguarding California: Reducing Climate Risk—An Update to the 2009 California Climate Adaptation Strategy. California Natural Resources Agency. July 2014. 344 p.

http://resources.ca.gov/docs/climate/Final_Safeguarding_CA_Plan_July_31_2014.pdf

“The state is pursuing a broad, integrated strategy to reduce greenhouse gas emissions and build the foundation for a new clean energy economy. While these efforts will reduce the magnitude and impact of climate change, they will not prevent it from occurring.... The Safeguarding California Plan provides policy guidance for state decision makers, and is part of continuing efforts to reduce impacts and prepare for climate risks. This plan, which updates the 2009 California Climate Adaptation Strategy, highlights climate risks in nine sectors in California, discusses progress to date, and makes realistic sector-specific recommendations.”

GENERAL GOVERNMENT

Flattening Tax Incentives for Retirement Savings. By Barbara A. Butrica, et al. Urban Institute. June 2014. 27 p.

http://www.brookings.edu/~media/research/files/reports/2014/07/01%20flattening%20tax%20incentives%20for%20retirement%20saving/flattening_tax_incentives_for_retirement_saving.pdf

What would be the effect of changing tax incentives for retirement plans to stimulate savings? Researchers tested three options: reducing 401(k) contributions, expanding the saver’s credit by removing the tax exclusion, and providing a credit for 401(k) contributions. The results showed that reducing 401(k) contribution limits would increase taxes for the wealthy, who can save more for their 401(k). Expanding the saver’s credit would “raise saving incentives and lower taxes for low-and middle-income taxpayers.” And removing the exclusion for retirement saving incentives and replacing it with a 25% refundable credit would “benefit some taxpayers—mainly low-and middle-income taxpayers—while raising taxes and reducing retirement assets for others—primarily those at the top of the income distribution.”

HEALTH

“Developing Public Health Regulations for Marijuana: Lessons from Alcohol and Tobacco.” By Rosalie L. Pacula, et al. *American Journal of Public Health*, vol. 104, no. 6 (June 2014) pp. 1021-1028.

(Available at the California State Library)

“Because there are no modern examples of marijuana regulation, policymakers are confronting many new questions about how to manage a marijuana market.... [P]olicymakers have grappled with similar questions pertaining to alcohol and tobacco, raising the question of what lessons can be learned from these two substances and applied to marijuana policy.” The report discusses the overarching need for public health regulation of legal drugs, and derives lessons from the regulation of alcohol and tobacco. Among the recommendations: create a strong licensing system for all aspects of the supply chain; limit the types of products sold; seek to limit marijuana consumption in public places; and take steps to measure and prevent impaired driving.

***Comparison of Benefits and Cost Sharing in Children’s Health Insurance Programs to Qualified Health Plans.* Wakely Consulting Group. July 2014. 177 p.**

<http://www.wakely.com/wp-content/uploads/2014/07/FINAL-CHIP-vs-QHP-Cost-Sharing-and-Benefits-Comparison-First-Focus-July-2014-.pdf>

“Cost sharing would increase and the number of child-specific services covered would decline if millions of low-income children now enrolled in the Children’s Health Insurance Program (CHIP) were forced to receive coverage through the health law’s insurance exchanges.... In more than half of the states studied, children moving from CHIP to exchange plans would likely need to purchase stand-alone dental plans in order to have comparable coverage. Those children also would be faced with more cost sharing than was required in CHIP plans. On average, the analysis finds that CHIP plans cover 82% of child-specific health services, while marketplace plans cover just 52%.” (*Washington Post*, July 29, 2014).

HUMAN SERVICES

“Perceived Reactions of Elementary School Students to Changes in School Lunches after Implementation of the United States Department of Agriculture’s New Meals Standards: Minimal Backlash, but Rural and Socioeconomic Disparities Exist.” By Lindsey Turner, et al. *Childhood Obesity*, vol. 10, no. 4 (Aug. 2014) 8 p.

<http://online.liebertpub.com/doi/pdfplus/10.1089/chi.2014.0038>

“The perceptions of elementary school personnel regarding the effect of new meals on student purchasing and consumption patterns suggest little change overall in student behaviors subsequent to the revised USDA meals standards. Although many respondents agreed that students complained at first, most also agreed that few students now complain about the lunches. Greater challenges were perceived by respondents at rural schools, highlighting the need for future work to understand and address health disparities in rural communities. Given the importance of offering healthful foods to young children while at school, the revised USDA meals standards are a promising strategy to improve the diets of children.”

TRANSPORTATION & INFRASTRUCTURE

Recommended Bicycle Lane Widths for Various Roadway Characteristics. By Darren J. Torbic, et al. National Cooperative Highway Research Program, Transportation Research Board. July 10, 2014. 73 p.

http://onlinepubs.trb.org/onlinepubs/nchrp/nchrp_rpt_766.pdf

“This report presents recommendations for bicycle lane widths for various roadway and traffic characteristics, including traffic volume, vehicle mix (i.e., percent trucks), lane width and/or total roadway width, and presence/absence of on-street parking. The conclusions are most applicable to urban and suburban roadways with level grade and a posted speed limit of 30 mph and should be used cautiously for the design of roadways with motor vehicle speeds outside of the range of 25 to 35 mph, and in particular for higher-speed roadways. This report will provide valuable guidance for traffic and design engineers in areas where bicycle lanes are being considered and implemented.”

VETERANS

Veterans’ Disability Compensation: Trends and Policy Options. By Elizabeth Bass, et al. Congressional Budget Office. Aug. 2014. 28 p.

http://www.cbo.gov/sites/default/files/cbofiles/attachments/45615-VADisability_2.pdf

“Spending on veterans’ disability benefits has almost tripled since fiscal year 2000, from \$20 billion in 2000 to \$54 billion in 2013—an average annual increase of nearly 8%, after adjusting for inflation. VA

[U.S. Dept. of Veterans Affairs] projects that such spending will total \$60 billion in 2014 and \$64 billion in 2015, a 19% increase from two years earlier.... In this report, CBO [Congressional Budget Office] examines some advantages and disadvantages of potential policy changes and presents estimates, to the extent that it is possible to do so, of their budgetary effects from 2014 through 2024.... Several of the options would modify VA's processes for identifying service-connected disabilities. Others would change payment rates, coordination with other federal benefits, or the tax treatment of benefits."

About *Studies in the News*

Studies in the News (SITN) is a service provided by the California Research Bureau (CRB), a division of the California State Library. CRB provides independent, nonpartisan research and analysis for the Governor, Legislature and State Constitutional Officers.

SITN lists of current studies related to public policy issues are e-mailed weekly. Archived issues are available at <http://www.library.ca.gov/sitn/crb/>.

To add or remove your name from the SITN distribution list, or to update your e-mail address, please contact us at crb@library.ca.gov, or (916) 319-2691.

SITN is available as an RSS feed at <http://www.library.ca.gov/sitn/crb/>.