

NACo Legislative Bulletin

Executive Director: Larry E. Naake, Legislative Director: Edwin Rosado

December 22, 2010

NACo's Legislative Affairs Department wishes all of you a safe and happy holiday season!

[Continuing Resolution Funds the Federal Government until March 2011](#)

[Housing](#)

[Food Safety Bill Set to Become Law](#)

[Aviation Extension Passed](#)

[Transportation Programs Funded Through March 4, 2011; Surface Transportation Program Extended](#)

[BABs Program Among Provisions Not Included in Tax Cut Compromise](#)

[Transit Commuter Benefit and Alternative Fuel Credit Included in Tax Legislation](#)

[DREAM Act Fails](#)

[Child Support Enforcement Fix Left Undone](#)

[Health Provisions in CR](#)

[9/11 Health Bill](#)

[President Signs Unemployment Insurance Extension Into Law](#)

[House Passes Extension of Trade Adjustment Assistance \(TAA\) Programs through June 30, 2012](#)

[Geothermal Revenue Sharing Fix for FY2011](#)

[FCC Passes "Net Neutrality" Rules](#)

[Multiyear PDM Reauthorization Finally Enacted & Justice and Public Safety Programs Funded until March 2011](#)

Continuing Resolution Funds the Federal Government until March 2011

On December 21, Congress passed a continuing resolution (CR) to keep the federal government operating until March 4, 2011. Most programs were funded at the 2010 appropriated levels. The CR also contained a freeze on federal government employee salaries during the period.



CONTACTS

Larry Naake
NACo Executive Director
202-942-4201

Edwin Rosado
Legislative Director
202-942-4271

Jeffrey D. Arnold
Deputy Legislative Director
Telecommunications &
Technology
202-942-4286

Paul Beddoe
Associate Legislative Director
Health
202-942-4234

Michael Belarmino Associate
Legislative Director
Finance and Intergovernmental
Relations
202-942-4254

Daria Daniel
Associate Legislative Director
Community and Economic
Development
202-942-4212

Bob Fogel
Senior Associate Legislative
Director
Transportation
202-942-4217

Deseree Gardner
Associate Legislative Director
Labor & Employment
202-942-4204

The Senate attempted to pass an "omnibus" appropriations bill late last week, but failed due the large number of earmarks contained in the draft. It is anticipated that when the new Congress is sworn-in, Republicans will have a greater say in the overall budget numbers for the remainder of the fiscal year. Congressional Republicans wanted the opportunity to vote on potentially reducing spending by \$101 billion and return domestic spending to the FY 2008 levels.

Contact: [Jeff Arnold](#) • 202/942-4286

Housing

Although the current CR freezes programs at 2010 levels, when the 112th Congress convenes and it is considered beyond its March 4th extension, there will be an attempt to reduce overall spending to 2008 levels. This would reduce Community Development Block Grant formula funding to \$3.59 billion, down from this year's \$3.99 billion and HOME formula grants at \$1.63 billion, down from the current \$1.825 billion.

Contact: [Daria Daniel](#) • 202/942-4212

Food Safety Bill Set to Become Law

The Senate passed a long-delayed comprehensive food safety bill, S.510, by voice vote on Sunday, December 19. The House also passed the legislation on Tuesday, December 21, clearing the way for the president's signature.

The food safety bill hit a roadblock after passing the Senate in late November because a provision requiring the collection of user fees violated the Constitutional mandate that all revenue-generating measures must originate in the House. House leaders then attached the bill as an amendment to two separate spending bills, neither of which was able to gain Republican support in the Senate.

Senate Majority Leader Harry Reid (D-NV) circumvented the original technical mistake by attaching the bill to a House-originated measure (HR 2751) authorizing a cash-for-clunkers program – a "shell bill" with bipartisan support. Senator Tom Coburn (R-OK), who had threatened to filibuster S.510 in November, dropped his objection at the last minute, allowing the food safety bill to pass unanimously.

The law will give the Food and Drug Administration more authority to recall tainted products, increase inspections of food processors and require producers to follow stricter standards for keeping food safe. NACo does not have policy on the overall reform bill, but did work to support inclusion of key provisions.

NACo supported the law's provisions which help to strengthen local, state and federal partnerships by creating a working group on food borne illness surveillance and requiring HHS to develop and implement strategies to leverage and enhance the food safety and defense capacities of public health agencies. In addition, NACo strongly supported the intent of Title III, which seeks to strengthen federal authority to improve the safety of imported food.

Contact: [Erik Johnston](#) • 202/942-4230

Aviation Extension Passed

Following action by the House of Representatives on December 2, the Senate on December 18 extended cleared federal airport and aviation programs through March 31, 2011, clearing the legislation for the president's signature. This is the 17th extension since the program expired in 2007. Failure to enact a bill a final bill was blamed on a number of issues, including several labor provisions, differences over increasing the Passenger Facility Charge, and increasing the number of long distance flights from Washington Reagan National Airport. Included in the extension is the authority to continue collecting the various taxes that fund the

Dalen A. Harris
Associate Legislative Director
Homeland Security and Large
Urban County Caucus
202-942-4236

Erik Johnston
Associate Legislative Director
Agriculture and Rural Affairs
and Rural Action Caucus
202-942-4230

Donald Murray
Senior Associate Legislative Director
Justice and Public Safety
202-942-4239

Marilina Sanz
Associate Legislative Director
Human Services and Education
202-942-4260

Julie Ufner
Associate Legislative Director
Environment, Energy and Land
Use
202-942-4269

Ryan Yates
Associate Legislative Director
Public Lands
202-942-4207

Matthew Fellows
Legislative Grassroots Coordinator
202-942-4205

programs and the authority to spend the money, including the Airport Improvement Program that provides capital grants to airports. This means that the Senate and House, both of which passed aviation bills in the 111th Congress, will now have to start the process anew. Incoming Chairman John Mica (R-FL) of the Transportation and Infrastructure Committee has reportedly indicated that the aviation bill is at the top of his list to complete early in the 112th Congress.

Contact: [Bob Fogel](#) • 202/942-4217

Transportation Programs Funded Through March 4, 2011; Surface Transportation Program Extended

Congress completed action on a Continuing Resolution (CR) on December 21 that provides funding for federal highway, transit, aviation, safety and other transportation programs through March 4, 2011. All transportation programs will be funded at the FY2010 levels and pro-rated to about 42.5 percent, reflecting the period October 1, 2010- March 4, 2011, the period of the fiscal year covered by the CR. The good news is that no transportation programs were cut; the bad news is that if a separate transportation appropriations bill had passed, it is likely that there would have been increased funds available, particularly for the highway program. Also included in the CR is another extension of the surface transportation program, known as SAFETEA-LU, through March 4, 2011. This includes highways, transit and safety programs, which were set to expire on December 31, 2010. It is very unlikely that the new Congress will make much progress on the reauthorization of SAFETEA-LU by March 4, so additional extension (s) will be necessary in early 2011. Since it will be a new Congress with Republican control of the House, the legislative process will begin anew for the reauthorization.

Contact: [Bob Fogel](#) • 202/942-4217

BABs Program Among Provisions Not Included in Tax Cut Compromise

On December 17, President Obama signed into law the tax package that extends for two years provisions that were set to expire January 1. Among the provisions extended were the lower rates for taxpayers at every income level, the deductibility of state and local sales tax in lieu of the itemized deduction permitted for state and local income taxes and qualified zone academy bonds.

Unfortunately, the final version of the legislation did not include several provisions supported by NACo from the 2009 American Recovery and Reinvestment Act such as the Build America Bond Program, the increase in bank qualified debt limit, letters of credit by Federal Home Loan Banks and AMT exclusion for tax-exempt bonds. As a result, these provisions will expire at the end of this year. It also did not include \$1 billion to fund the National Affordable Housing Trust Fund.

Even though the BABs Program was not popular among Republicans, Congressman John Mica (R-Fla.), incoming chairman of the House Transportation and Infrastructure Committee, has indicated his intent to work on a reincarnation of the Program that he plans to introduce in the next session.

Contact: [Mike Belarmino](#) • 202/942-4254

Transit Commuter Benefit and Alternative Fuel Credit Included in Tax Legislation

The tax bill signed by President Obama includes a one-year extension of the transit commuter tax benefit at the \$230 level (the level of parity with the parking benefit). The \$230 level was established in the stimulus legislation and was set to expire on December 31, 2010. The benefit will carry forward through January 1, 2012. The package also includes an extension of the alternative fuels/natural gas tax credit for transit properties, through the end of 2011. This provision had expired at the end

of 2009 and the extension is retroactive to the beginning of 2010, allowing users of the credit to apply for the prior year's natural gas consumption.

Contact: [Bob Fogel](#) • 202/942-4217

DREAM Act Fails

The Senate failed to approve a cloture motion to pass the House DREAM Act by a vote of 55 to 41. The vote, which was not unexpected, ended the prospects for any immigration reform legislation in this Congress.

Contact: [Marilyna Sanz](#) • 202/942-4260

Child Support Enforcement Fix Left Undone

Congress failed to take up legislation to extend state and county authority to use child support enforcement payments to draw down additional federal dollars. The authority expired September 30th, but the offset that had been identified to extend it through March of next year was spent elsewhere and a new offset could not be found.

Contact: [Marilyna Sanz](#) • 202/942-4260

Health Provisions in CR

Funding for health programs administered by the U.S. Department of Health and Human Services will not see any changes from 2010 levels under the latest version of the continuing resolution. However, spending for the Veterans Benefits Administration would go up to \$2.1 billion, an increase of \$460 million over current levels, to support efforts to reduce the growing backlog of disability claims.

Contact: [Paul Beddoe](#) • 202/942-4234

9/11 Health Bill

New York Democratic Senators Charles Schumer and Kirsten Gillibrand say they have enough votes to move a slimmed down version of the James Zadroga 9/11 Health and Compensation Act of 2010. The ten year bill, H.R. 847, would establish a program to provide medical monitoring and treatment benefits to eligible emergency responders and recovery and cleanup workers who responded to the World Trade Center terrorist attacks on September 11, 2001 and establish quality standards and procedures for their health care. It would also reopen enrollment for a fund to benefit those injured during the attack, subsequent cleanup, and to victims' families. Senate Majority Leader Harry Reid (D-Nev.) has committee to a cloture vote after the Senate completes its work on the new arms control treaty with Russia, although if the bill's Republican opponents refuse to consent to expedited consideration the clock may run out. The House passed a similar version, but would need to pass the bill with any amendments made by the Senate in order to secure passage. NACo supports the bill because thousands of public employees from jurisdictions across the country – including many county employees – reported to Ground Zero to support rescue and cleanup efforts there and suffer complex medical conditions as a result of their volunteer service.

Contact: [Paul Beddoe](#) • 202/942-4234

President Signs Unemployment Insurance Extension Into Law

On December 17, President Obama signed the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (H.R. 4853) into law.

Overall, the new law would (1) extend through 2012 all of the reduced tax rates enacted in 2001 and 2003; (2) extend unemployment insurance benefits for an additional 13 months; (3) cut workers' share of the Social Security payroll tax from 6.2 percent of earnings to 4.2 percent for one year; (4) extend the improvements to the earned income tax credit and the child tax credit, and (5) provide for a two-year reduction in the estate tax.

The UI provisions would do the following:

- Retroactively extend the Emergency Unemployment Compensation (EUC) Program to the week ending before January 3, 2012.
- Provide 100% federal reimbursement of Extended Benefits (EB) until the week ending January 3, 2012.
- Allow a three-year EB look-back for the Extended Benefits Trigger.
- Continue the non-reduction rule restricting states, as a condition of receiving federal funds for EUC, from changing the methods that would reduce the computation of their regular state compensation.
- Maintain the coordination between EUC and regular state unemployment compensation with the purpose of keeping individuals who qualify for EUC, but also qualify for regular state unemployment compensation, from having their weekly benefit amount reduced.

Contact: [Deseree Gardner](#) • 202/942-4204

House Passes Extension of Trade Adjustment Assistance (TAA) Programs through June 30, 2012

On December 15, the House of Representatives approved by voice vote, the Omnibus Trade Act of 2010, H.R. 6517, which among other things, extends the Trade Adjustment Assistance program. It is slated to expire at the end of the year.

The Trade and Globalization Adjustment Assistance Act of 2009, which was enacted as part of the American Recovery and Reinvestment Act of 2009, made significant expansions to the TAA program. Specifically, the legislation made service sector workers eligible for the program, expanded access for manufacturing and secondary workers, significantly increased training funding and promoted incumbent, part-time and longer-term training.

Contact: [Deseree Gardner](#) • 202/942-4204

Geothermal Revenue Sharing Fix for FY2011

Because Congress was unable to pass a FY 2011 Interior Appropriations bill, funding for Interior programs, including geothermal energy production, were continued at FY 2010 levels via a continuing resolution (CR). This posed a significant problem for counties that receive funding from geothermal production through a revenue sharing agreement with the Department of the Interior.

The FY 2010 Interior Appropriations bill eliminated the 25% sharing of revenues with counties and instead returned the funds to the treasury. Congress returned the geothermal funds (for FY2010) to thirty-one counties in six western states via a temporary fix on the Emergency Supplemental Appropriations bill passed in July 2010.

A fix for FY 2011 geothermal payments was included on the recently passed CR, restoring the original formula, which sends 50 percent of royalties to states, 25 percent to counties and the rest to the U.S. Treasury. NACo applauds the successful effort led by Senator Reid and others to rightly return these critical revenues back to county governments.

Because the Administration opposes sharing geothermal revenues with counties, NACo will continue to closely monitor the geothermal program and advocate for continued sharing of revenues with our members.

Contact: [Ryan Yates](#) • 202/942-4207

FCC Passes "Net Neutrality" Rules

On December 21, the Federal Communications Commission voted 3-2 to impose new restrictions on Internet network providers. These new rules would preclude networks from limiting or slowing access to any content over the networks regardless of size and bandwidth utilization. The new

rule does not apply to wireless networks.

This rule was hotly contested with content providers like Google and Netflix lining up against AT&T, Verizon, Comcast and other broadband network providers. Consumer groups were firmly on the side of the content providers. NACo has no specific policy on network neutrality.

Contact: [Jeff Arnold](#) • 202/942-4286

Multiyear PDM Reauthorization Finally Enacted & Justice and Public Safety Programs Funded until March 2011

The House and Senate passed Continuing Resolution (HR 3082) funds key State and local government assistance programs administered by the Departments of Homeland Security (DHS) and Department of Justice at FY2010 levels until March 4, 2011. While it remains to be seen what will happen to these programs in the 112th Congress, key programs like FEMA's National Flood Insurance Program (NFIP) and Disaster Relief Fund (DRF) will continue to operate and will ensure that assistance for disaster relief and recovery operations are available to aid individuals, States and communities stricken by floods, emergencies and major disasters.

Prior to adjourning, Congress also enacted an amended version of H.R. 1746, the Pre-Disaster Mitigation Act of 2009. Sponsored by outgoing House Transportation Chairman James Oberstar (D-MN), the legislation provides for a multiyear authorization of FEMA's Pre-Disaster Mitigation Grant Program (PDM), and directs FEMA to award grants to communities on a competitive basis - prohibiting earmarks. The legislation also recommends to congressional appropriators (or authorizes) that the PDM program be funded at \$180 million in FY2011, \$200 million in FY 2012, and \$200 million in FY 2013.

With final passage of the multiyear legislation, Counties can continue to expect federal support for implementing hazard reduction measures prior to a disaster event.

Contact: [Dalen Harris](#) • 202/942-4236



About NACo

National Association of Counties (NACo) is the only national organization that represents county governments in the U. S. NACo provides essential services to the nation's 3,068 counties. NACo advances issues with a unified voice before the federal government, improves the public's understanding of county government, assists counties in finding and sharing innovative solutions through education and research and provides value-added services to save counties and taxpayers money.

Executive Director: Larry E. Naake

National Association of Counties
25 Massachusetts Ave NW, Suite 500
Washington, DC 20001 | Phone: 202.393.6226

www.naco.org | [NACo Staff Contact List](#)
[County News Online](#) | [Media Center](#)

Click [here](#) to unsubscribe.

25 Massachusetts Avenue, NW, Suite 500, Washington, DC 20001