

# NACo Legislative Bulletin

**ACTION  
NEEDED!**

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

May 13, 2011

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## House Appropriations Chairman Releases Subcommittee Allocations and Schedule

On May 11, House Appropriations Chairman Harold Rogers (R-Ky.) announced the subcommittee spending limits, known as 302(b) allocations, and appropriations schedules for the FY 2012 budget cycle. The 302 (b) allocations would cut \$46 billion in non-security programs from the FY 2011 levels. The Transportation-Housing and Urban Development Subcommittee received the largest percentage cut, at 13.9 percent, followed closely by the Agriculture Subcommittee at 13.4 percent.

House congressional members have to put in their **FY 2012 Appropriations program requests by next Friday, May 20, 2011.** The Homeland Security Subcommittee was scheduled to be among the first to mark-up on May 13th. The Labor-HHS Subcommittee is scheduled to be the last of the domestic spending bills on July 26th. The most vulnerable programs in Labor-HHS are the job training programs and the Community Services Block Grant. The Chairman's goal is to have at least nine of the 12 bills ready for floor action by the August recess.  
Contact: [Marilina Sanz](mailto:Marilina.Sanz) • 202/942-4260

## Contact Your Representatives to SAVE CDBG Funding in FY 2012 Appropriations – Action Needed!

The Community Development Block Grant (CDBG) appropriations could be reduced to \$1.5 billion in FY 2012. CDBG already took a 16 percent cut, \$600 million in FY 2011 to \$3.3 billion – the program would basically be eliminated if reduced to \$1.5 billion.

Please contact your House members ASAP by next **Tuesday, May 17, 2011, and ask them to include funding for CDBG as one of their top FY 2012 T-HUD appropriations requests. Ask them to support an increase in CDBG funding to \$3.9 billion, \$600 million above the current \$3.3 billion FY 2011 level for FY 2012.** CDBG is funded in the T-HUD Appropriations Subcommittee under CPD – Community Planning and Development - section.

Tell your congressional members what CDBG funds now and what could be impacted by a further decrease in funding. Please contact NACo staff Daria Daniel [ddaniel@naco.org](mailto:ddaniel@naco.org) or 202/942-4212 to inform her that you have spoken with your representative.

CDBG Funding			
FY10	FY11 CR	President FY12 Request	NACo FY12 Request Levels
\$3.9 B	\$3.3 B	\$3.6 B	\$3.9 B

There is also a **Support CDBG Funding "Dear Colleague"** letter being circulated in



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the House by Rep. Robert Brady (D-Pa.) - staff contact - [eriade.williams@mail.house.gov](mailto:eriade.williams@mail.house.gov). Please ask your House member to sign on to this letter to restore CDBG to the FY 2010 level - \$3.9 billion for FY 2012. The deadline is May 17.

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

### **House Allocation for USDA Means that NACo Supported Programs Face Threat of Drastic Cuts — *Action Needed!***

The allocation or 302(b) for the Agriculture Subcommittee will drastically cut funding for the Department of Agriculture and the Food and Drug Administration. The Agriculture Subcommittee's allocation of \$17.25 billion for FY 2012 is 13.4 percent below the FY 2011 level of \$19.92 billion. This level of funding is also 25 percent less than the FY 2010 level of \$24.3 billion. NACo supports maintaining level funding at the FY 2010 enacted level.

This allocation will force cuts to all program accounts within the Agriculture Subcommittee including food safety, nutrition assistance, extension and rural development. The subcommittee is scheduled to mark up its bill May 24. The deadline for congressional members to submit program requests to the House Agriculture Appropriations Subcommittee has passed. However, county officials with representatives on the Committee can still affect the outcome by contacting them about the importance of maintaining level funding for USDA Rural Development programs. Additionally, Senators have until May 27 to put in their program requests. [Click here](#) for talking points.

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

### **Homeland Security Assistance to Counties at Risk of Being Eliminated in 2012 — *Action Needed!***

On Friday, May 13, 2011 at 11am, the House of Representatives Appropriations' Subcommittee on Homeland Security held a markup on the FY2012 Department of Homeland Security (DHS) Appropriations Bill. The legislation proposes massive reduction to grants, technical assistance and programs important to States, local governments and public safety agencies nationwide. Additionally, the legislation proposes a major change to the current formula for distributing State and local grants; and many counties would presumably be at risk of not receiving any future State and local grant assistance from the DHS.

Specifically, the legislation proposes only \$1 billion for DHS Grants, Exercises, and Technical Assistance important to states, local governments and public safety agencies. This is a decrease of \$1.2 billion compared to the current year, and the legislation also proposes major reductions in DHS' FIRE and SAFER Grants (\$350 million), FEMA Flood Mapping (\$120 million), and PreDisaster Mitigation Grants (\$40 million). The only programs not slated to be slashed important to counties are FEMA's Disaster Relief Account (\$2.65 billion) and Emergency Management Performance Grant (\$350 million).

Additionally, the legislation proposes a major consolidation of programs important to States, local governments and public safety agencies. Specifically, the legislation proposes combining DHS' State Homeland Security Grant Program, Urban Area Security Initiative Grant Program, Metropolitan Medical Response System, Citizen Corp Program, Rail and Transit Grants, Intercity Bus Security Grants, Port Security Grants, Interoperable Emergency Communications Grants and DHS/FEMA Training, Technical Assistance and Exercises into one single line item; and awarding future grants to States, local governments and public safety agencies at the discretion of the DHS Secretary.

For many years, counties have been strongly opposed to any effort to reduce funds to DHS' State and Local Programs and asserted that a minimum level of preparedness must be provided to all communities.

The Full Appropriations Committee is expected to markup the legislation soon, perhaps as early as May 23. Call your Members of Congress today and urge them to protect essential public safety funding, and oppose any effort to consolidate DHS State and local programs into a single line item, and award future grants at the discretion of the DHS Secretary.

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

### **House Subcommittee Advances Bill to Repeal Medicaid MOE — *Action Needed!***

The Health Subcommittee of the House Energy and Commerce Committee voted May 12 to advance legislation (H.R. 1683) that would allow states to reduce Medicaid eligibility levels. The State Flexibility Act, introduced by Rep. Phil Gingrey (R-Ga.) was approved for consideration by the full committee on a vote of 14-9, along party lines.

The bill would repeal the requirements, known as maintenance of effort (MOE), for

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states to maintain their Medicaid and CHIP eligibility standards or lose their federal matching funds. MOE requirements were imposed on states as a condition of receiving enhanced Medicaid federal medical assistance percentage (FMAP) under the American Recovery and Reinvestment Act (ARRA) and then extended in last year's Affordable Care Act (ACA). For adults, the MOE requirement extends until 2014 when the ACA's new state-based health insurance exchanges are functional and for children until October 2019.

The Congressional Budget Office (CBO) estimates that the bill would save the Treasury just over \$2 billion over ten years and would leave about \$300,000 people, including many children, without insurance.

NACo opposes the repeal of the Medicaid MOE because it puts counties at risk for significant cost shifting as states would push people off the rolls and into county systems to receive uncompensated care.

The bill will likely be marked up by the full Energy and Commerce Committee the week of May 30 and may go to the House floor that same week. A similar measure, S. 868, was introduced in the Senate by Sen. Orrin Hatch (R-Utah).

**Action Needed:** Tell your House Member to oppose the State Flexibility Act (HR 1683) because it will push vulnerable people off Medicaid and CHIP and shift the costs of their care to counties and other already strapped safety net providers.

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**Senate Announces First Farm Bill Hearing: Counties Encouraged to Comment — Action Needed!**

Senator Debbie Stabenow (D-Mich.), Chairwoman of the U.S. Senate Committee on Agriculture, Nutrition and Forestry, announced the Committee's first Farm Bill field hearing will be held on May 31 at Michigan State University in East Lansing, Michigan at the Kellogg Center. The hearing, "Opportunities for Growth: Michigan and the 2012 Farm Bill," will focus on the upcoming reauthorization of the Farm Bill, examining agriculture as well as energy, conservation, rural development, research, forestry and nutrition policies.

NACo members are encouraged to attend and can RSVP by calling 202/224-2035 or by emailing [aghearing@ag.senate.gov](mailto:aghearing@ag.senate.gov). Chairwoman Stabenow is also accepting written testimony, which will be included in the official record. Send your testimony no later than June 7, 2011 to [aghearing@ag.senate.gov](mailto:aghearing@ag.senate.gov). You may also submit questions for possible consideration by the panel members during a limited question and answer period before May 26, 2011.

[Click here](#) for NACo's Farm Bill priorities fact sheet which can be used as a guide for your comments.

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

**Treasury Issues Additional Proposed Rule on Three Percent Withholding**

In a rare move, the IRS has simultaneously issued a proposed regulation in conjunction with the issuance of the final regulations on three percent withholding. The proposed regulation would provide that the exclusion for payments under existing contracts that had not been materially modified would terminate with payments after December 31, 2013.

The proposal is in response to concerns expressed to the IRS that having to differentiate between payments subject to withholding and payments not subject to withholding based on whether they were made under a contract in existence would be burdensome. As a result, these proposed regulations would subject payments under ALL contracts to section 3402(t) withholding after December 31, 2013, unless another exception applied.

Written or electronic comments and requests for a public hearing must be received by August 8, 2011. Information on how to respond can be found [here](#).

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**Aviation Bill Still Unresolved**

House and Senate staff and members are still trying to work through the differences between the House and Senate-passed aviation bills. The current extension, the 18th, expires on May 31, and supporters hoped that a final bill could be passed by that date and sent to the president. While reports are that significant progress has been made, there appear to be a number of high profile issues not settled.

They include several issues of importance to NACo, including the funding level for the Airport Improvement Program and the future of Essential Air Service. Other unresolved issues are an increase in long distance flights from Reagan National Airport and the repeal of a 2010 ruling by the National Mediation Board making it easier for some airline and railroad workers to unionize. It appears as if Congress would extend the aviation legislation if everything is not cleared up by May 31.  
Contact: [Bob Fogel](#) • 202/942-4217

#### **Stormwater Runoff from Highways Bill Introduced**

Senator Ben Cardin (D-Md.) has introduced legislation aimed at regulating runoff from highways. The Safe Treatment of Polluted Stormwater Runoff (STOPS Runoff) Act, S. 898, will require the Department of Transportation (DOT) to develop performance based standards for federally funded highways. According to Cardin, stormwater runoff from highways and roads is a major source of water pollution.

The bill applies to rehabilitation, reconfiguration, renovation, major resurfacing or highway construction projects that results in ten percent or greater or one acre of new impervious surfaces. DOT would be required to establish standards to treat stormwater runoff while preserving (or restoring) the natural landscape used to treat runoff.  
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#### **Food Desert Locator Tool Available**

USDA recently announced the availability of the Food Desert Locator tool. The tool provides a spatial overview of low-income neighborhoods with high concentrations of people who are far from a supermarket or large grocery store. This mapping tool allows users to map food deserts—areas with limited access to affordable and nutritious foods—and view census tract-level statistics on population groups with low access to healthy and affordable food. The tool is available [here](#).  
Contact: [Erik Johnston](#) • 202-942-4230

#### **House Subcommittee Holds Hearing to Examine Nation's Job Training Programs**

On May 11 the Subcommittee on Higher Education and Workforce Training, chaired by Rep. Virginia Foxx (R-N.C.), held a hearing to explore ways to streamline and modernize federal job training programs. The hearing, "Removing Inefficiencies in the Nation's Job Training Programs," reviewed examples of program overlap and examined the success of state and local efforts to consolidate and improve workforce training initiatives. To read Chairwoman Foxx's full remarks, witness testimony, or view an archive hearing webcast, [visit here](#).  
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#### **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.

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