

Washington Update

COUNTY OF SANTA BARBARA

November 1, 2011

DEFICIT REDUCTION

The Joint Select Committee on Deficit Reduction set up by the Federal debt ceiling legislation last August 2 continues to be the most significant Congressional effort this fall. The committee must identify budget savings of at least \$1.2 trillion, either through cuts or revenue increases, with a deadline of December 2 to complete and present their package to the House and the Senate, who must then approve or reject the proposals by December 23, under expedited parliamentary procedures that do not allow any amendments. If the Committee's plan is not enacted, then the required savings will be accomplished through government-wide, automatic cuts in both domestic and defense spending, effective January 2013.

While there have been several public hearings, and House and Senate authorizing committees and advocacy groups have had the opportunity to present recommendations to the Select Committee, the bulk of the work continues to take place behind closed doors. While the members of the Committee were selected for their ability to negotiate and compromise with the opposite party, they still must work within the context of the polarization and rancor that remains after the debt ceiling fight last summer. Republicans are reluctant to support proposed increases in revenues; Democrats are reluctant to consider cuts in entitlement programs without revenue increases. While rumors of specific cuts abound, the Committee has indicated that at this point it is still working on the broader framework of an agreement.

FY 2012 APPROPRIATIONS

In a continuation of recent budget history, the new Federal Fiscal Year 2012 began on October 1 with none of the FY 2012 appropriations bills completed. Congress has passed a Continuing Appropriations Resolution (CR) that funds the government through

November 18, and discussions are already under way to extend it through December 23.

In order to avoid the negative connotations associated over the last several years with passage of an omnibus appropriations bill, but still limit the opportunities for disagreement, the Senate has taken the lead on moving forward by utilizing a series of so-called "minibuses" combining several funding bills. Work on the first of the minibuses, which includes the *FY 2012 Agriculture, Commerce, Justice, Science, and Transportation/ HUD Appropriations* bills is expected to be completed the week of November 1, enabling the Senate and House to convene a conference committee to negotiate the final funding levels for these programs. The "minibus" approach would appear to give the Senate more leverage in these negotiations, since most of the individual bills have not been debated or amended by the full House, and conference committee agreements cannot be amended. In general, the Senate-drafted versions tend to be more favorable to local governments such as the County.

3% TAX WITHHOLDING MANDATE

In anticipation of action by the House Ways and Means Committee, we joined NACo and other advocacy groups in lobbying committee members to support Congressman Herger's (R-CA) H.R. 674, which would repeal the requirement that all local, State, and Federal government agencies withhold 3% of payments to vendors and contractors for Federal income tax purposes. We emphasized the substantial unfunded mandate it would place on the County, the negative impact on County vendors, and the potential for keeping smaller vendors from competing for County business. As an example, the County issued payments to 8,345 vendors totaling \$456,732,424 in FY 2009-10, and the impact would be significant. The committee passed H.R. 674 by voice vote, and last week it was passed overwhelmingly approved by the full House, with

Congresswoman Capps and Congressman Gallegly supporting the bill. Senator Brown (R-MA) has now introduced a companion bill as S. 1762, and there is a possibility that it will be attached to the legislation produced by the Select Committee on Deficit Reduction.

SANTA MARIA AIR TANKER

As a follow-up to Board Chair Gray's letter to U.S. Forest Service Chief Tom Tidwell regarding restoration of full service status of the Santa Maria Air Tanker Base, we contacted Congressman Gallegly and Congresswoman Capps regarding the issue. We also discussed the situation with County Fire Chief Mike Dyer. Our delegation assisted in organizing a meeting between USFS officials and all of the area fire chiefs, joined by the District representatives of Gallegly and Capps. The meeting was characterized as extremely productive and the Service has now agreed to re-designate the Santa Maria Air Tanker Base as a full-service facility.

TANF REAUTHORIZATION

We provided County staff with testimony from the September hearing of the House Ways and Means Human Resources Subcommittee hearing in anticipation of TANF reauthorization, including how States engage recipients in work activities that move them toward self-sufficiency. TANF authority was scheduled to expire on September 30, but just before recessing for the Rosh Hashanah holiday in September, the House and Senate both approved H.R. 2943, the *Short-Term TANF Extension Act*, which would extend the authority for TANF through December 31, 2011. It is unclear as to whether Congress will proceed with a long-term reauthorization bill this year, as the Administration has expressed support for a simple, one year extension of existing authority.

SOCIAL SERVICES

Also in September, the House and Senate also took action on H.R. 2883, the *Child and Family Services Improvement and Innovation Act*, to reauthorize the Promoting Safe and Stable Families and Child Welfare Services programs, both of which were scheduled to

expire on September 30. The bill also renews child welfare waiver authority to allow the Department of Health and Human Services to authorize states to implement innovative demonstration programs.

IMMIGRATION IMPACTS – E-VERIFY

We provided information to the County's Human Resources Department regarding House Judiciary Committee Chairman Smith's (R-TX) H.R. 2885, the *Legal Workforce Act*, which would make mandatory requirements relating to use of an electronic employment eligibility verification system (E-Verify). The legislation contains provisions that would require re-verification of all local government employees who were not previously certified under the E-Verify Program, requiring States and localities to determine the employment eligibility of nearly all workers without providing funding to do so. Chairman Smith's committee approved H.R. 2885 on September 23 and it is currently pending the committee report to accompany the measure.

PUBLIC HEALTH GRANT FUNDING

Earlier this year we provided the County with information regarding a funding opportunity through HRSA's Quality Improvement and Patient-Centered Medical Home Development Program. Created by the Affordable Care Act, these grants provide assistance to existing health centers to achieve recognition as a patient-centered medical home. Late in September we were informed that the County was awarded \$35,000 to provide care planning, support for team-based models of service delivery, and system upgrades.

In October, we were also informed by HRSA that two of the County's Federally Qualified Health Centers (FQHC's) were selected to participate in the Advanced Primary Care Practice Demonstration Program to test the effectiveness of doctors and other health professionals working in teams to coordinate and improve care for Medicare patients. Participating FQHCs will be paid a monthly care management fee for each eligible Medicare beneficiary receiving primary care services.

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