

# Washington Update

COUNTY OF SANTA BARBARA

June 18, 2010

## FY 2010 APPROPRIATIONS PROCESS

The FY 2011 appropriations process has come to a standstill due to the lack of a Budget Resolution to set overall spending parameters. Work on the Budget Resolution itself is stalled by debate stemming from increased concern over Federal spending and the debt. Despite rumors regarding a possible year-long continuing resolution for FY 2011, House Appropriations Committee Leadership continues to insist that the various appropriations bills will be drafted, and House and Senate Leadership are discussing possible procedural alternatives that would enable the Appropriations Subcommittees to move forward without a Budget Resolution. Meanwhile, we continue to advocate the County's project and programmatic priorities with the respective Appropriations Subcommittees of jurisdiction, our Congressional delegation and Senators Boxer and Feinstein in anticipation of eventual action.

## MEDICAID FUNDING

Just before the Memorial Day recess, the House approved H.R. 4213, the *American Jobs and Closing Tax Loopholes Act*. Unfortunately, in order to get the votes to pass the measure, House Leadership was forced to drop the provisions relating to a six month extension of the temporary increase in the Federal Medical Assistance Percentage (FMAP) for Medicaid implemented in last year's stimulus bill. The extension would add \$24.2 billion to the Federal deficit without offsets. We immediately contacted Senate Leadership and Senators Boxer and Feinstein to advocate for reinstatement of the provisions when the Senate debates the tax extenders bill, citing the critical significance of the funding to the State of California and the County. We also followed up directly with the Senators' health care staffers to reiterate the importance of the funding to the County. On June 14, Senate Majority Leader Reid introduced the manager's amendment to H.R. 4213 to be debated by the full Senate this

week, and it included the FMAP provisions. However, because of the overall \$78.7 billion cost of the bill, the extension could still be a target of efforts to pare down that price tag.

## EMPLOYER PROVIDED CELL PHONES

As we previously reported, the House included provisions to declassify cell phones and PDAs from listed property to business property under the Internal Revenue Code when it approved H.R. 4994, the *Taxpayer Assistance Act of 2010*. The change is necessary because several local governments have been penalized following IRS audits because they did not adequately track and report any "private" use of cell phones and PDAs issued to their employees. Following the House action, we contacted members of the Senate Finance Committee to urge them to expedite action on H.R. 4994 or similar legislation that would reclassify the devices. We also asked Senators Boxer and Feinstein to support the proposal. Senate action has not yet been scheduled.

## RENEWABLE ENERGY BONDS

We contacted the House Ways and Means Committee to reiterate the County's support for Congressman Thompson's (D-CA) H.R. 3525, which would allow the issuance of tax exempt bonds to finance renewable energy resource activities, citing their usefulness as long-term funding sources for local efforts to develop energy efficiency programs such as those authorized by the California's AB 811. We also asked Congresswoman Capps and Congressman Gallegly to support and cosponsor the legislation. While Congressman Thompson serves on the Ways and Means Committee, hearings have not yet scheduled hearings on H.R. 3225.

## 3% WITHHOLDING TAX REQUIREMENT

The Deficit Reduction Act (DRA) of 2005 mandated that State and local governments withhold 3% of payments to vendors and contractors for Federal income tax purposes.

While provisions included in the American Recovery and Reinvestment Act (ARRA) delayed the implementation of the 3% withholding requirement by one year, we continue to join with NACo and other national advocacy groups to lobby for complete repeal of the requirement. We contacted the Senate Finance and House Ways and Means Committees to urge them to take action on legislation to repeal the requirement and asked our local Congressional delegation to support the efforts. Congressman Meek (D-FL) has introduced H.R. 275, and Senator Specter (D-PA) has introduced a companion measure in the Senate as S. 292.

#### **WOMEN'S HEALTH CARE**

We contacted the House Energy and Commerce Committee to urge expedited consideration of Congresswoman Capps' H.R. 1032, the *Heart Disease Education, Analysis, Research, and Treatment (HEART) for Women Act*, which would expand funding for the WISEWOMAN screening program for low-income and uninsured women. The measure currently has 166 cosponsors. Similar legislation sponsored by Congresswoman Capps was approved by the 110<sup>th</sup> Congress, but never taken up in the Senate. We have also contacted members of the Senate Health, Education, Labor and Pensions Committee to advocate in support of action on the Senate version of the proposal, Senator Stabenow's (D-MI) S. 422. Congresswoman Capps' staff has informed us that the prognosis for action on the bill is good.

#### **INMATE HEALTH CARE**

We contacted the House Ways and Means and Energy and Commerce Committees to reiterate support for Congressman Hastings' (D-FL) H.R. 2209, the *Restoring the Partnership for County Health Care Costs Act*, which would remove the so-called "inmate exception" that prevents individuals from being eligible for Medicare, Medicaid, SSI and SCHIP benefits while they are in the County jail awaiting trial. We argued that this exception unfairly shifts the burden for otherwise eligible inmates' health care to the County, and is contrary to the presumption of innocence in the American judicial system. We urged the committees to expedite consideration of H.R. 2209, and asked our local delegation to cosponsor the proposal. Hearings have not yet been scheduled.

#### **JUVENILE OFFENDERS IN CUSTODY**

We contacted the Senate HELP Committee to reiterate the County's concerns about provisions included in the House-passed H.R. 911, the *Stop Child Abuse in Residential Programs for Teens Act*, that could impact juvenile camps and ranches operated by the County and 26 other probation departments in California because of rehabilitative services they are mandated to provide. In particular, the bill could place restrictions on the use of restraining devices and the monitoring of phone calls, creating safety issues. The Senate committee may take up the bill later this spring, and we urged them to include language clarifying that it does not apply to facilities where the minors are placed by court order after having committed a crime.

v Tom Walters v