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Memorandum

From: Jane Sargent
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To: Chairman Joe A. Martinez
Board of County Commissioners

CC: Joe Rasco

Date: May 2, 2011

Subject: April 2011 Monthly Report

On April 13, 2011, we met with Joe Rasco and Bill Couch with the Office of Intergovernmental Affairs and the County's other federal lobbying firms to discuss the County's agenda for this year and our federal legislative issue/departments assignments. Akerman has been assigned the following issues and departments:

- Children's Issues/Child Advocate
- Corrections
- Elderly Services
- Fire Rescue
- Health Care Issues/Jackson Health System/CMS
- International Trade/Free trade Agreements/International Affairs
- Juvenile Justice
- Police/Interoperability/Law Enforcement

We also remain available to assist with other issues as requested by the County.

We have been provided with a copy of the County's 2011 Federal Legislative Agenda as approved by the County. We briefly discussed the issues, but we also plan on working with OIA staff to coordinate conference calls with the relevant departments to get updates on our issues assignments.

FY2011 Appropriations

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In April, the Congress finally completed the Fiscal Year 2011 budget. The FY2011 Department of Defense and Full-Year Continuing Appropriations Act provides funding for the entire federal government for the remainder of the fiscal year which ends September 30, 2011. The House passed the FY2011 bill on April 14 by a vote of 260 to 167. Representatives Ros-Lehtinen, Diaz-Balart, Rivera, and Wasserman Schultz voted for the bill. Representative Frederica Wilson voted against the bill. A number of Democrats voted against the bill over concerns about the level of spending cuts.

The Senate also passed the bill on April 14 by a vote of 81 to 19. Senator Nelson voted for the bill. Senator Rubio voted against the bill because he did not feel that the bill cut federal spending enough to adequately address the growing national debt. The President signed the bill into law on April 15 as Public Law 112-10.

Overall, the final FY2011 continuing resolution (CR) includes a total of \$1.049 trillion in funding, a nearly \$40 billion reduction from last year's (fiscal year 2010) levels. This includes the \$12 billion in reductions included in the previous CRs, as well as nearly \$28 billion in additional new spending cuts.

We have highlighted below a number of provisions in the final FY2011 bill that may be of interest to the County:

Health Related Spending:

The Labor-HHS-Education section of the Continuing Resolution contains a total of \$157.7 billion in funding, which is approximately a 3 percent reduction from FY2010 levels. The Department of Health and Human Services (HHS) will receive \$70.6 billion in FY2011, compared with \$74 billion in FY2010. According to the Senate Appropriations Committee majority, agencies will have wide discretion over the funding levels for many individual programs unless the levels were specifically cited in bill language.

The final bill does not include the policy rider sought by House Republicans that would have blocked funding for the Affordable Care Act (ACA) enacted last year. As part of the final agreement, the Senate held a separate vote on that issue prior to passing the FY2011 bill. As expected, the vote to repeal the health reform bill failed in the Senate.

Below are some highlights of health related funding included in the final FY2011 bill:

- The Health Resources and Services Administration (HRSA) will receive \$6.27 billion, which includes funding for community health centers, health professions training, the Ryan White Care Act and family planning under Title X. This is a reduction of \$1.2 billion below the FY2010 level, however, some programs will receive new money through the health care law.
- The Centers for Disease Control and Prevention (CDC), which includes funding for HIV/AIDS, viral hepatitis, STD and TB prevention, will be funded at \$5.66 billion – a \$730 million reduction from FY2010 levels.
- Title X Family Planning will be funded at \$300 million, which is \$17 million below FY2010. House Republicans tried to eliminate all funding for Title X services, which

pays for a variety of medical services, including contraception and cancer screenings, primarily for low-income women. As part of the budget agreement, the Senate held a separate vote on defunding Title X, which failed as expected.

- The final bill maintains the \$750 million Prevention and Public Health Fund, which House Republicans proposed eliminating.
- The bill includes \$109 million in funding for the Teen Pregnancy Prevention Program, a 4 percent reduction from FY2010.
- \$885 million is provided for the Aids Drug Assistance Program, which is a \$25 million increase over FY2010 after a \$25 million transfer for added supplemental funding for waiting lists for those seeking treatment.
- The bill provides \$662 million for the Maternal Child Health block grant, the same as FY2010.
- The health co-ops (Consumer Operated and Oriented Plan) included in the ACA had their funding reduced by \$2.2 billion of the \$6 billion authorized in health reform. The co-ops, which have not yet been established, would be new nonprofit health plans governed by consumers that are due to receive start-up grants and loans.
- The final bill eliminates funding for the "Free Choice Vouchers" provision included in the ACA, which would have allowed workers to take tax-free money their employers would have contributed and use it to buy plans on new health insurance exchanges if their coverage would have cost more than a certain percentage of their income.
- The final agreement also includes several studies pushed by House Republicans examining the effect of the Affordable Care Act, including a "full audit" of waivers granted to organizations that need more time to meet the requirements for benefit packages under the health reform law, a "full audit" of comparative effectiveness research funding, and a report on contractors hired to implement the law. It also prohibits additional funding to hire IRS agents to prepare to implement certain provisions of the Affordable Care Act.

Administration on Aging:

The bill provides \$1.5 billion for the Administration on Aging, \$16 million (2%) less than FY 2010. The bill directs \$441 million in funds be used for congregate nutrition programs and \$218 million for home-delivered nutrition.

Law Enforcement/First Responders Related Funding:

The bill provides a total of \$27.4 billion for Justice Department programs, \$2.3 billion or 8 percent less than the FY2011 budget request and \$946 million less than current levels. The largest cuts were made to programs that provide financial assistance to state and local law enforcement systems and police departments.

- *Law Enforcement Grants:* The bill provides \$1.1 billion for the Bureau of Justice Assistance's state and local law enforcement assistance grant program, \$415 million less than provided in FY 2010 and \$358 million less than requested. The program awards grants to states for use by state and local governments to improve the functionality of the criminal justice system, with emphasis on violent crime and serious offenders.

- *COPS Program:* The measure provides \$496 million for the Community-Oriented Policing Services (COPS) program. The total is \$296 million less than FY 2010 levels, and \$194 million less than the administration's request. The COPS program, which was established in 1994, shares information and makes grants available to police departments.

For your information, the application period for FY2011 COPS Hiring Program (CHP) opened on May 2, 2011. The application deadline is May 25, 2011. Over \$200 million is available under the FY2011 CHP for the hiring and rehiring of additional career law enforcement officers. Information on the application and how to apply is available on the COPS Office website at www.cops.usdoj.gov.

- *Juvenile Justice:* The bill provides \$276 million for the Office of Juvenile Justice and Delinquency Prevention, \$148 million less than provided in FY 2010 and \$14 million less than requested. The office's programs range from youth courts to delinquency prevention to tribal programs to mental health initiatives.
- *Weed & Seed Program:* The bill provides no funding for the Weed and Seed program fund, which received \$20 million in FY2010. The Weed and Seed program aims to prevent, control and reduce violent crime, drug abuse and gang activity in certain high-crime neighborhoods across the country.

The bill cuts annual funding for the Homeland Security Department for the first time. It provides \$41.8 billion in FY2011 for the department, \$784 million (2%) less than comparable FY 2010 funding and \$1.9 billion (4%) less than requested. This includes cuts to a number of FEMA's grant and training programs related to disasters, terrorism preparedness and other emergencies, including a reduction in FEMA first responder grants by \$786 million.

- *Fire Grants:* The bill appropriates \$810 million for firefighters grants, equal to the FY2010 level. \$405 million is provided for SAFER hiring grants and \$405 million for firefighter assistance grants. The bill includes some waivers of legislative requirements in order to retain or hire firefighters to sustain firefighting and disaster response capabilities during the economic downturn.
- *Urban Area Security Initiatives Grants:* The bill provides \$725 million for UASI grants, which provides funding to build capacities in high-density urban areas. The total is 18 percent below the FY2010 level of \$887 million.
- *State Homeland Security Block Grants:* The bill provides \$725 million for the SHSP program, which enhances capabilities through planning, equipment, training and exercise activities. The total is 24 percent below the FY2010 level of \$950 million.
- *Transportation and Port Security Grants:* Both programs were cut from \$300 million in FY2010 to \$250 million in FY2011.

Over the next several weeks the federal agencies will be figuring out the spending levels for individual programs and will begin releasing information about specific program funding levels,

formula grant distributions, and discretionary grant announcements. We will forward any relevant agency announcements to the County as they become available.

FY2012 Budget

In April, Congress also began working on the FY2012 budget process. On April 5, the House Budget Committee Chairman, Congressman Ryan from Wisconsin, released his budget blueprint for FY2012. Under his proposed budget resolution (H.Con.Res. 34), the federal government would cut spending by \$6.2 trillion over the next 10 years and would reduce the deficit by \$4.4 trillion. In general, Chairman Ryan's budget proposal calls for significant, and controversial, changes to Medicare and Medicaid, overhauling the tax code, and reducing the overall size and scope of the federal government. The House budget resolution calls for substantial spending cuts and would reduce non-security discretionary spending to 2008 levels and freeze it there for five years.

The full House passed the FY2012 budget resolution on April 15 before adjourning for the two-week Easter recess. The resolution was passed largely along party lines by a vote of 235 to 193. All Democrats and four House Republicans voted against the House budget resolution. As expected, the Miami Dade Members also voted along party lines – Representatives Ros-Lehtinen, Rivera and Diaz-Balart voted for the Republican budget resolution, while Representatives Wasserman-Schultz and Wilson voted against.

The House budget resolution is not expected to pass the Senate. The Senate will be proposing its own budget resolution in early May. Once both chambers have passed their versions of the budget resolution, they will try to reconcile the two versions if possible.

The budget resolution does not have the force of law, but does set the framework for Congress on spending and taxes for the fiscal year. By law, the Budget Resolution must be completed by April 15 each year. However there is no penalty if that deadline is missed – it often is and was again this year. Reaching a final deal on a budget resolution will be very difficult this year. While Congress will try, it is possible that they will not be able to reach an agreement and will fail to pass a budget resolution, which has happened in previous years.

We have highlighted below a few provisions from the House-passed FY2012 budget resolution (H.Con.Res. 34) that may be of interest to the County:

- *Medicare:* The House Republican budget resolution includes a policy proposal that would alter the funding structure of Medicare from the current "fee-for-service" model to a "premium support" model. Beginning in 2022, seniors and the disabled would receive a subsidy to purchase a qualified private health insurance plan rather than being directly covered by a government-sponsored plans. A sliding benefit scale would account for low-income beneficiaries and beneficiaries with greater health risks.
- *Medicaid:* The House Republican budget resolution includes a provision to change the funding structure of Medicaid to a block grant program to states. States would be allowed to tailor their own programs to meet needs as they see fit. Medicaid is currently

funded by a joint state-federal matching program based on a state's per capita income, among other factors.

- *Health Care Reform:* The House budget resolution repeals and de-funds the health care reform law passed last year.
- *Health Related Discretionary Spending:* The House budget resolution proposed \$50.1 billion in budget authority in FY2012 for discretionary health programs, and higher levels of spending for these programs in each of the four succeeding years. By FY2021, funding for these programs under the measure would increase to \$55.9 billion. This function encompasses most health-related programs, including Medicaid, the State Children's Health Insurance Program, the Food and Drug Administration, the National Institutes of Health, and the Centers for Disease Control and Prevention.
- *Justice Programs:* The budget resolution calls for \$47.7 billion in discretionary budget authority in FY2012 for federal judicial and law enforcement activities. The resolution calls for decreases over the next eight years, then a slight increase, reaching \$48 billion in FY2021. The committee report calls for the consolidation of justice grant programs and funding reductions to certain law enforcement technology projects and the elimination of the National Drug Intelligence Center.
- *Social Security:* The measure includes a policy provision that would require Congress to develop a proposal to make Social Security permanently solvent. The provision would be triggered if the Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund determines the 75-year actuarial balance of the Social Security Trust Fund is in deficit.
- *Earmarks:* The House Republican Budget Resolution would continue the FY2011 earmark ban in FY2012.

Fire Rescue/USDA Property Acquisition:

We discussed with Joe Rasco and Bill Couch the legislation that was introduced during the last session of Congress to permit the County to purchase property from the U.S. Department of Agriculture to build a new fire station to serve Pinecrest, Palmetto Bay, Cutler Bay, and surrounding communities. H.R. 3175 was introduced by Representative Lincoln Diaz-Balart in July 2009. The House passed the bill in September 2009. In March 2010, Senator Nelson introduced the companion bill (S.3050) in the Senate. S. 3050 was referred to the Senate Agriculture Committee. The Committee did not take any action on the bill before the 111th Congress adjourned in December 2010, and the legislation died when the session ended.

The legislation will need to be re-introduced this session. We will work with OIA staff, the Miami Dade County Fire Rescue Department, the Congressional delegation, and the County's other lobbying firms who have been engaged on this issue to re-introduce this legislation during the 112th session of Congress.

Activities for May:

Congress was out of the session for two weeks in April. The House and Senate reconvene on May 2. The House will be out of session the week of May 16th. The Senate will out of session the week of May 30th. Both chambers will be working on completing the FY2012 budget resolution and beginning to work on the FY2012 appropriations bills.

In May, we will coordinate with the County and departments within our issue areas to get the necessary information and briefings on our issues. We will provide updates to the County on any relevant developments and work with the County on re-introducing the USDA land acquisition legislation.