

NARC

Building Regional Communities

2011 Policy Discussion

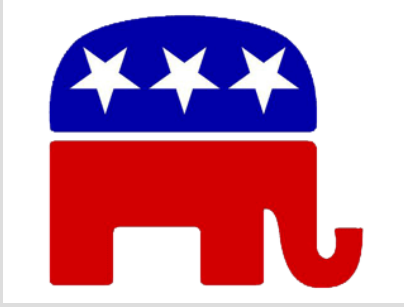
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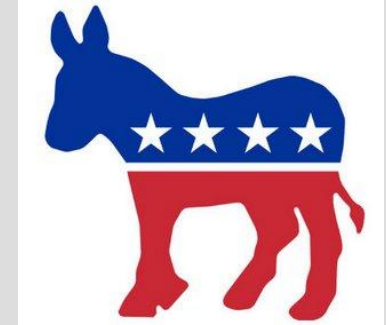
Outline

- “Wave” election
- Congressional leaders
- What is your role?
- Executive Branch Priorities
- 112th Congressional Activities
- NARC Priorities
- Message for the Hill
- Improving NARC
- Questions



Major Shake Up

Change of Power



109 new members of Congress

~20% of Congress is new

Many failed reelection bids and retirements

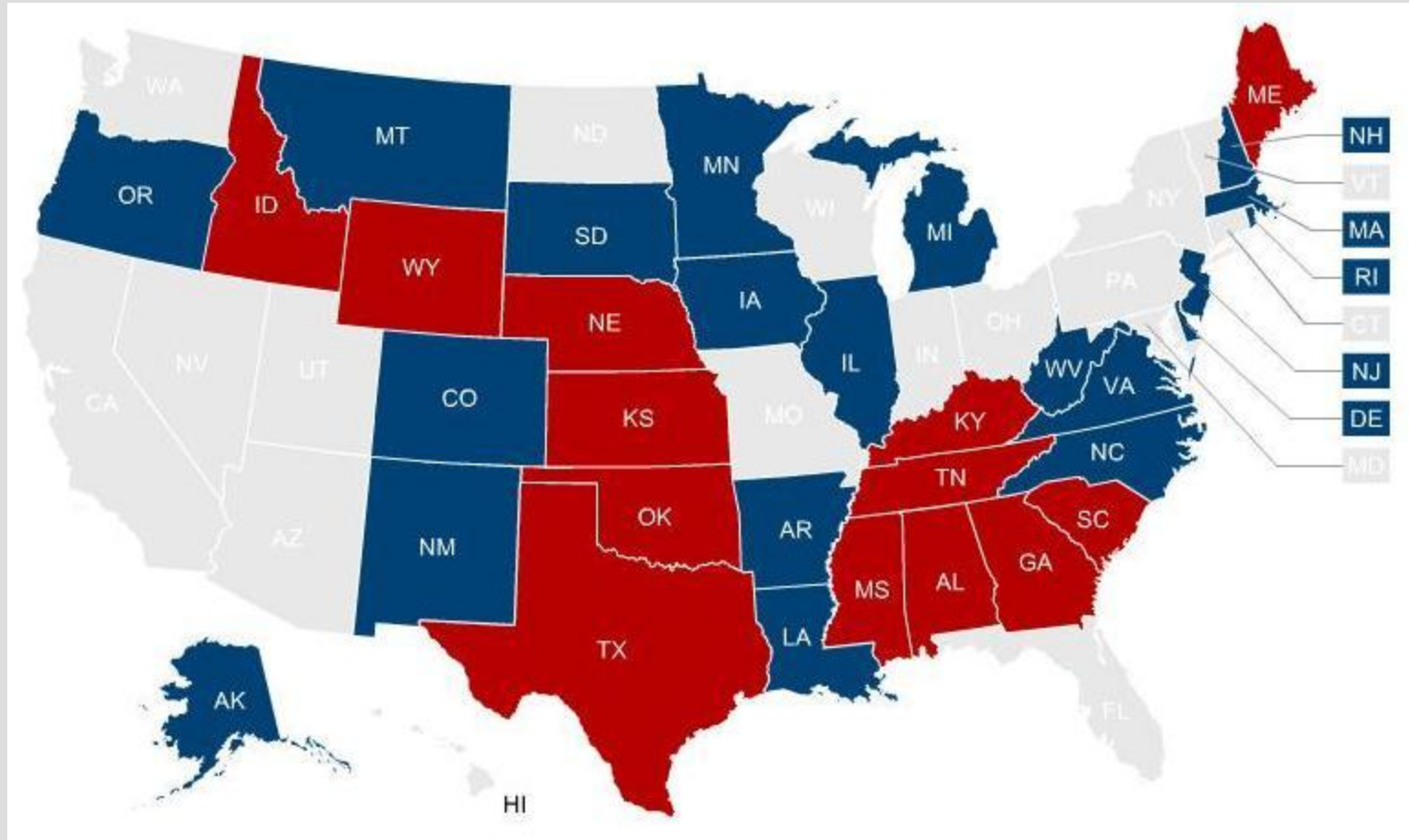
SENATE

- 16 new members
- GOP picked up 6 seats; retained 46 seats
- Democrats have 53 seats (incl. 2 Independents)

HOUSE *Shift of Power!*

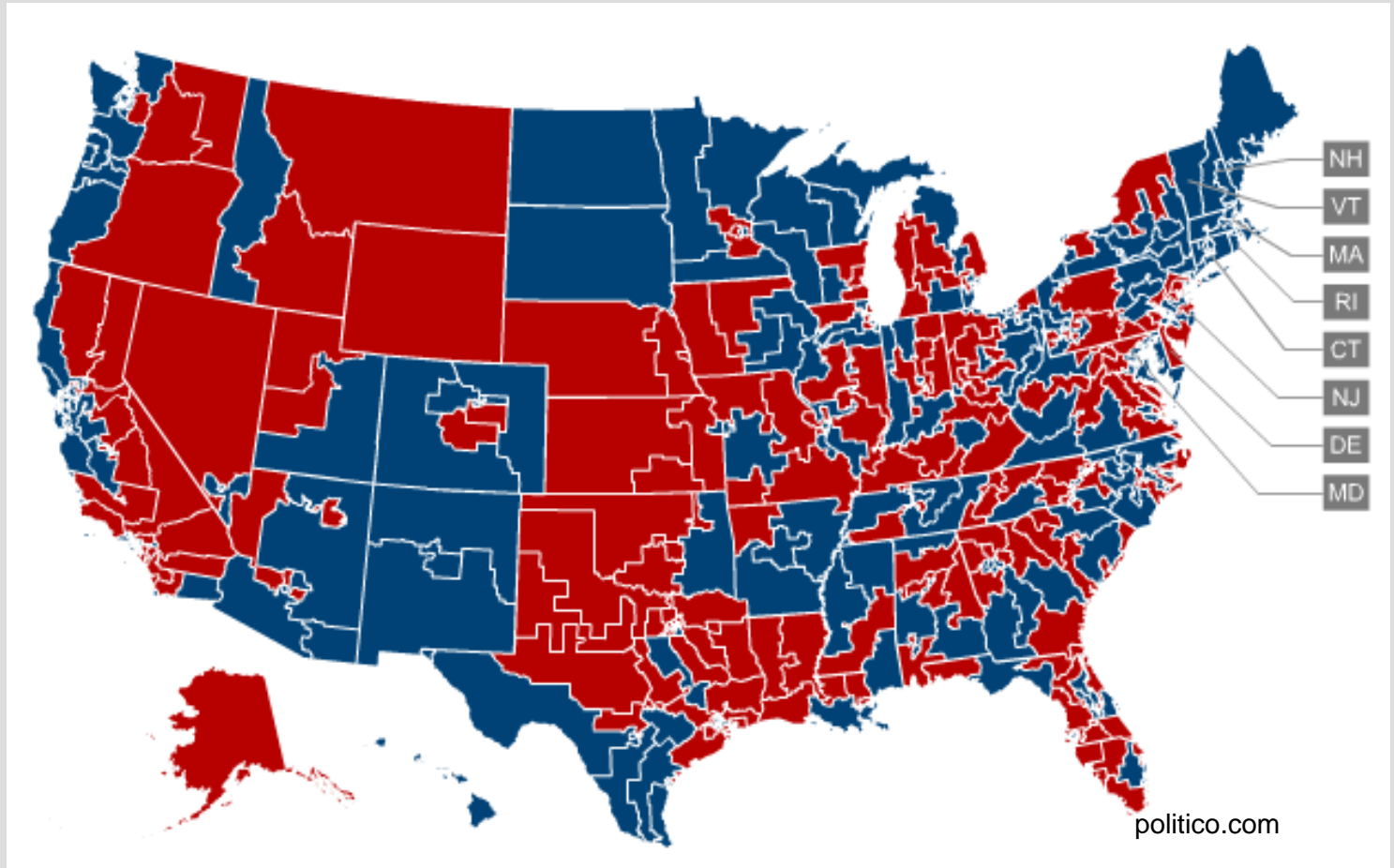
- 93 new members (51 defeated incumbents)
- GOP picked up 63 seats; retained 176 seats = 239 Rs
 - Most seats won by a party since 1946 election
- Democrats retained 185 seats; won 3 seats = 189 Ds

2008 Senate Elections

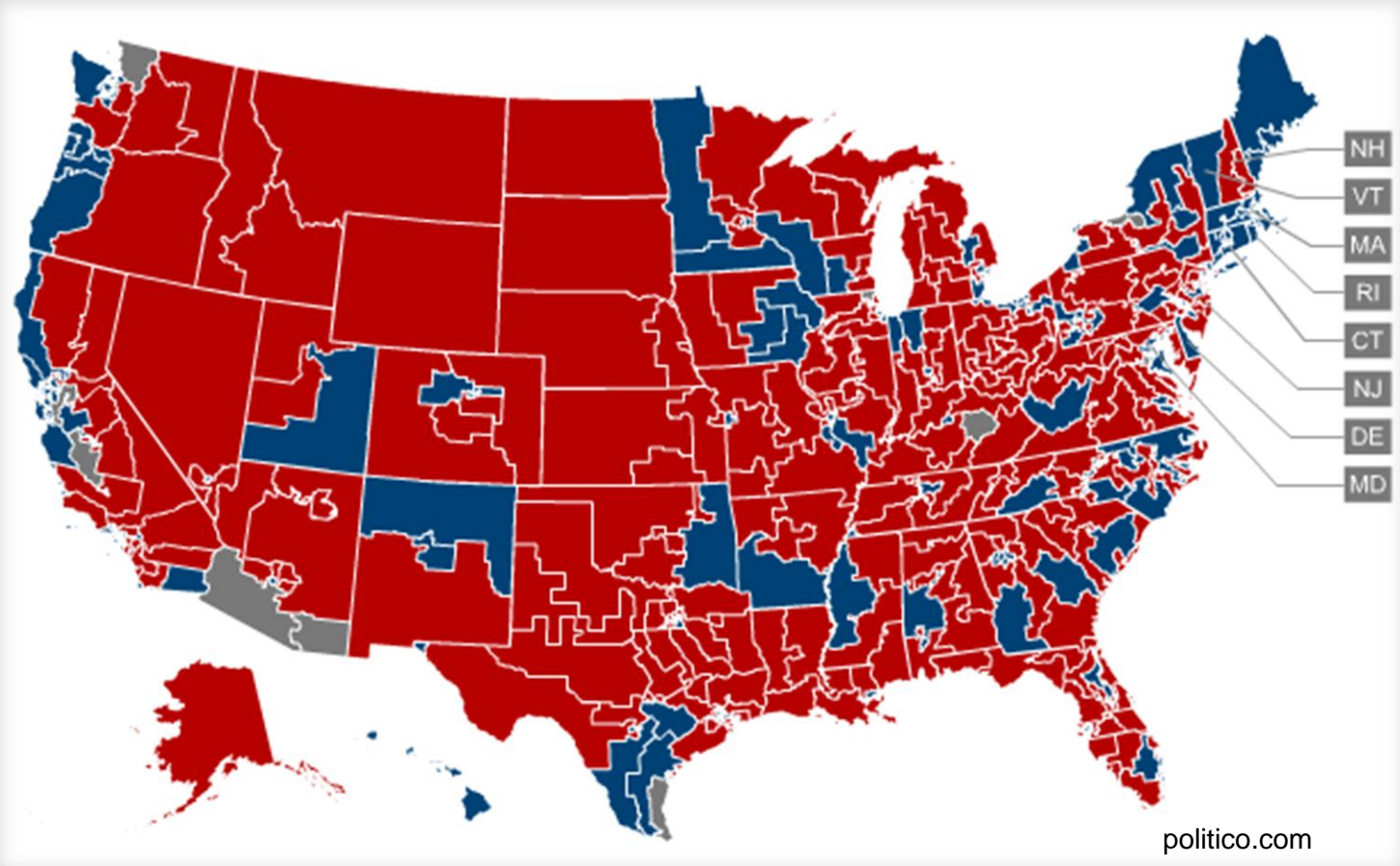


politico.com

2008 House Elections

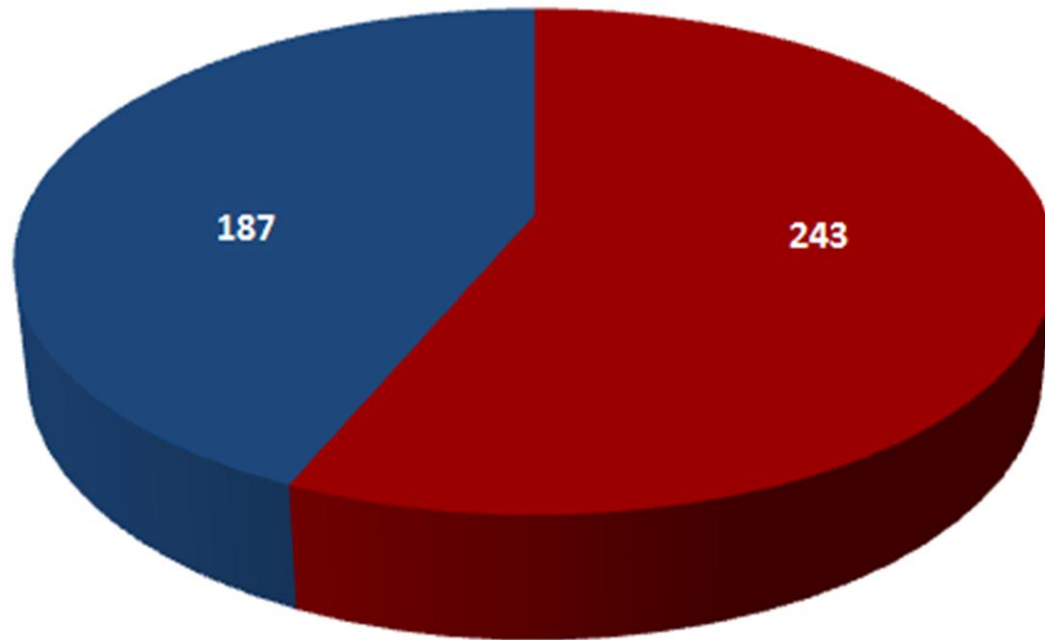


2010 House Elections



House in the 112th Congress

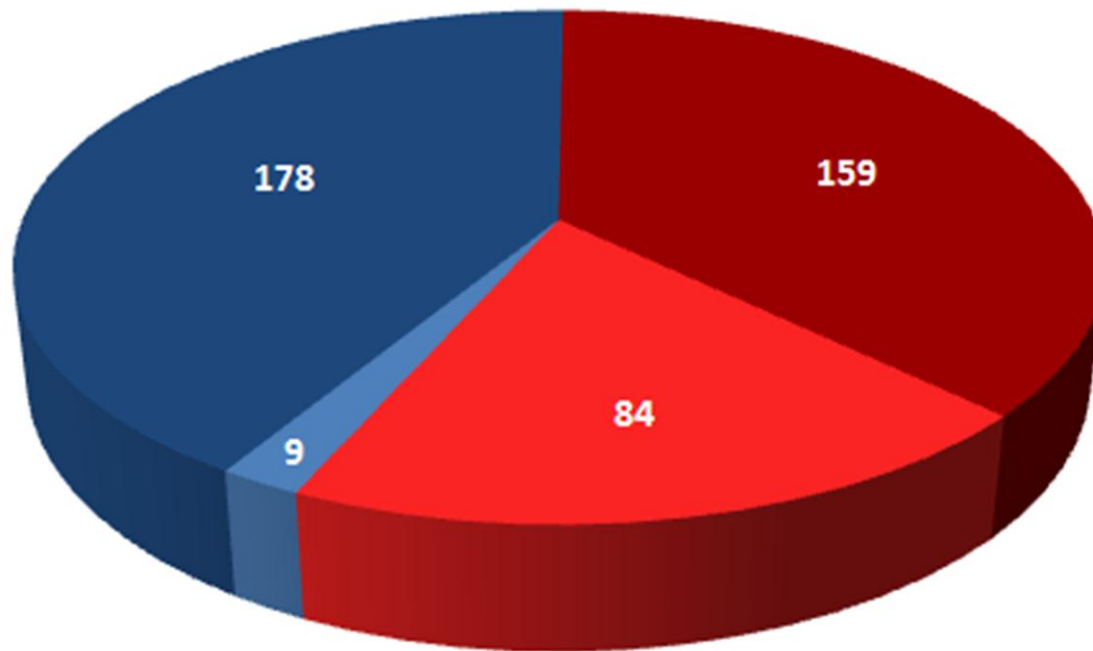
Balance of the House



House in the 112th Congress

New House Members

■ New Dems ■ Returning Dems ■ Returning GOP ■ New GOP



Leadership

**Who's in charge now?
What do they want to do?**

Leadership

- New in the **House**...
 - Party leadership
 - Committee leadership
- In the **Senate**
 - Mostly the same
 - A few committee chairs not returning
- Why is this important?
 - While any member can introduce legislation, the Leadership sets the agenda, picking which bills to prioritize and advance



Congressional Leadership

REPUBLICANS

House Speaker John Boehner (R-OH)



- Fiscal conservative
- Committed to cutting government spending & increasing transparency
- [“Pledge to America”](#)

Senate Minority Leader
Mitch McConnell (R- KY)



- Repeal healthcare law
- Reduce government spending
- Reduce size of government
- Hearings to oversee Executive Branch actions
- Freeze domestic discretionary spending

Congressional Leadership

DEMOCRATS

House Minority Leader Nancy Pelosi (D-CA)



- Working with GOP
- Protect healthcare bill and entitlement programs
- Protect D priorities

Senate Majority Leader Harry Reid (D- NV)



- Won difficult re-election
- Boosted by Hispanic vote in election
- Has served as D leader for past 5 years

Steny Hoyer (D-MD)

Congressional Agenda

REPUBLICAN

HOUSE

- Procedural changes
 - No earmarks, more transparency
- Repeal & replace Health Care Act
- **Cut government spending**
- Reduce national debt
- Extend tax cuts
- “All of the above” energy policy
- Bridge divide between GOP regulars and Tea Partiers
- Jobs/economy
- Free trade agreements

SENATE

- Still in minority
- Repeal healthcare
- Jobs/economy



Congressional Agenda

DEMOCRAT

- Remove Tax Cuts
 - Preserve for lower rates for individuals earning <\$200,000
- Domestic Discretionary Spending Reduction
- Clean energy policy
- Jobs/economy
- Immigration reform? (Senate)
- Free trade agreements
- Healthcare law reforms?
- Keep White House in 2012 election



Your Role

Engage New Members

- Chances are, you have a new member in your Congressional delegation
 - Find out who they are!
 - <http://innovation.cq.com/media/election2010/#3>
- Reach out to your new members – make your organization known
- Tell your story – showcase successes!
- Allow NARC to assist you in Congressional Outreach

Executive Branch Priorities

Obama's Focus

- **Economy:** new industries, job creation, and worldwide competitiveness
- **Federal Debt/Budget:** 5 year freeze on domestic spending to decrease the deficit by \$400 billion over the next decade
- **Infrastructure:** Infrastructure overhaul – high speed rail, rebuilding roads and bridges, broadband, clean energy infrastructure, and inclusion of private investment
- **Government Reform:** Restructure, reorganize, and consolidate the government – redo regulations
- **Energy:** End tax subsidies for oil companies and increased support for clean energy technologies to create new jobs
- **Healthcare**
- **Education**

112th Congressional Activities

New House Rules

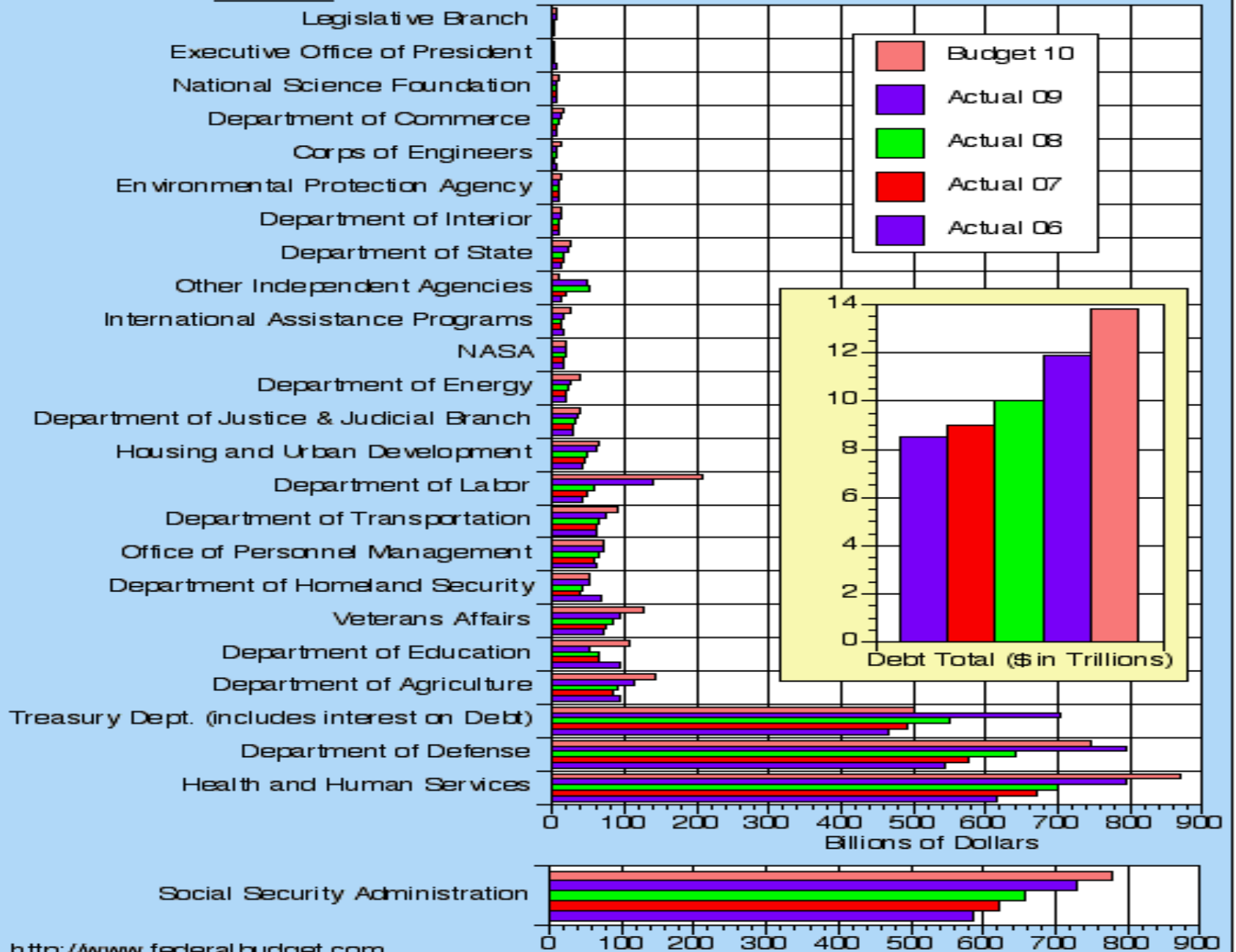


House adopted rules package

- ✓ governs how the Chamber will take up legislation
- ✓ change to how transportation bills are considered
- ✓ Authorizes the chairman of the House Budget Committee to set reduced spending levels for the remainder of the FY (to Sept. 30, 2011) to FY08 levels or less
- ✓ Require committees to include in its oversight plan proposals to cut or eliminate programs

How Congress Spends Your Money

AGENCY



Federal Spending

- FY10 discretionary spending was \$1.39T or 38% of total spending
 - \$844B = security spending
 - \$553B = non-security spending
- FY10 discretionary non-security largest spending:
 - \$84B Health and Human Services
 - \$76B Transportation
 - \$46.8B Education
 - \$43.6B Housing and Urban Development
 - \$25B Agriculture
- FY11 Budget Request kept spending flat at \$1.4T
 - \$895B = security spending **\$51B**
 - \$520B = non-security spending **(\$33B)**

\$14+ TRILLION NATIONAL DEFICIT

Funding

- **Continuing Resolution (CR)**
 - Expires March 4
 - HR 1 introduced to fund govt for remainder of FY11
 - \$100B in reductions over Obama's FY11 Request
 - Security (\$19B) and non-security (\$81B) cuts
 - No earmarks
 - Eliminates unobligated stimulus funds
 - Debate to begin Monday, Feb. 14
 - Significant Democratic pushback in both Chambers
- **FY2012 budget & appropriations**
 - President to release on February 14, 2011
 - Administration has ordered 5% cuts across agencies
 - Agencies must include at least 5 savings below FY11 levels
- **More funding responsibility will fall to states, locals and private entities**

Biggest CR Cuts

| Program | From 2011 request | From 2010 enacted |
|-------------------------------------------------|--------------------------|--------------------------|
| Bilateral economic assistance | \$6.5 | \$3.8 |
| Pell Grants | 5.7 | 0.0 |
| HUD community development fund | 2.9 | 3.0 |
| EPA | 2.8 | 3.0 |
| DOL job training programs | 2.1 | 2.0 |
| State Dept. and USAID operations | 1.9 | 0.5 |
| General Services Administration | 1.8 | 1.8 |
| Contributions to multilateral development banks | 1.8 | 0.9 |
| HUD Tenant Based Rental Assistance | 1.5 | 0.1 |
| Loan Guarantee Authority | 1.4 | 0.3 |
| Corporation for National and Community Service | 1.3 | 1.0 |
| FEMA first responder grants | 1.3 | 1.4 |
| Domestic food programs | 1.2 | 0.8 |
| Science | 1.1 | 0.9 |
| Internal Revenue Service | 1.1 | 0.6 |

Numbers in billions

CR Cuts

Regional/local Programs that are proposed:

- Energy Efficiency and Renewable Energy
- EDA's Economic Development Assistance
- Rural Development Programs
- EPA State and Local Air Quality Management
- Clean Water State Revolving Fund
- Drinking Water State Revolving Fund
- EPA Brownfields
- Job Training Programs
- Community Services Block Grant
- High Speed Rail
- Amtrak
- HUD's Community Development Fund
- Regional Commissions
- FEMA grants
- Rescinds HUD Sustainable Communities funding

Other Cuts

House Committees determining cuts and eliminations

For example, House Financial Services Committee:

- ✓ elimination or cuts to nearly a dozen housing programs, including the Neighborhood Stabilization Program and the HOPE VI program
- ✓ elimination of the Brownfields Economic Development Initiative
- ✓ elimination of the Sustainable Communities Program

Other Budget Proposals

- **Federal Spending Cap**

- Sens. Corker (R-TN) and McCaskill (D-MO)
- Commitment to American Prosperity Act (CAP)
- Put caps on future federal spending to address the debt
- Start in FY13 – address ALL spending – over 10 years
- Want expenditures to fall to <20% of GDP (at 25% now)

- **Debt Commission Recommendations**

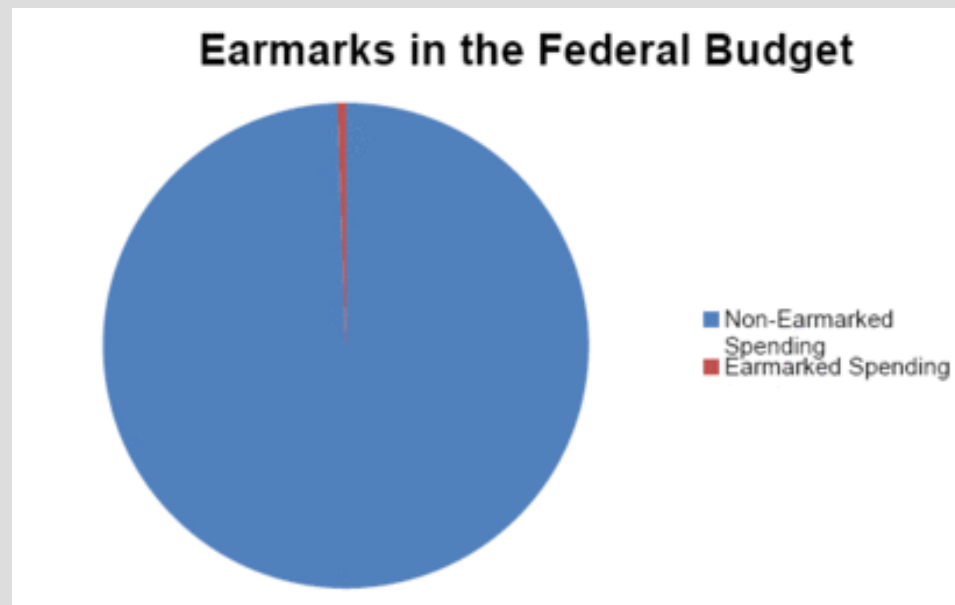
- Sens. Chambliss (R-GA) and Warner (D-VA)
- Based on National Fiscal Commission recommendations
- Reduce deficit spending by \$3.9T over 10 years
- Changes to entitlement programs, tax code and spending

- **HR 236 - CUTS Act**

- Introduced by Rep. Brady (R-TX)
- Cut Unsustainable and Top-Heavy Spending Act
- Proposes terminations and funding rescinding , e.g. EDA, SAFETEA-LU high priority projects, brownfields grants, large/hub Airport improvement Program

Earmark Ban

- Senate Appropriations Chairman Inouye (D-HI) imposed a moratorium on earmarks in FY11 and FY12 appropriations bills
- Both House and President have opposition earmarks
- Earmarks are small piece of fiscal picture
 - In 2008, were just \$18B of \$3T federal budget



A New Political Reality

Cuts and eliminations will impact local and regional programs and budgets

What is/should be the role for NARC?

Many things to consider:

- Fulfilling election promises
- Political hotbed
- Senate will have negotiating to do
- Role/response of NACo and NLC
- What are your local electeds/organization doing?

NACo/NLC Budget Positions

NACo

- Sent letters on Feb. 3 to Congress & Administration
- Four key points to consider for deficit reduction:
 1. Cannot be resolved by only cutting domestic, non-military discretionary programs;
 2. Assistance to state and local govts will help mitigate further layoffs;
 3. Investment in state and local infrastructure produces jobs; and
 4. Should not shift costs to counties, impose unfunded mandates, or pre-empt county programs or taxing authority.

NLC

- Response to State of the Union Address:
 - invest in education, promote innovation in communities, rebuild nation's infrastructure and eliminate regulatory barriers
 - budget cuts and freezes must be made responsibly; not at the expense of proven federal investments like CDBG and federal transportation programs that keep communities competitive

Regulatory Review/Oversight

- Environmental

- EPA pressures on regulating greenhouse gas emissions
- Other EPA environmental activities
- Many Congressional committees to hold oversight hearings
- Several Congressional members have and will introduce legislation to block/reverse EPA regulatory authority

- REINS Act (HR 10)

- Regulations from the Executive in Need of Scrutiny Act
- Would require a vote from Congress before any regulation with an economic impact of more than \$100 million could go into effect

- Administration

- Executive order and memo to streamline federal regulations, removing outdated or economically damaging rules
- Requires federal agencies to look for ways to reduce regulatory burdens on small businesses.

Regulatory Recommendations

NARC Strategy:

1. Send general letter to President supporting the E.O.
2. Survey membership for recommendations
3. Provide recommendations to Congress and the President

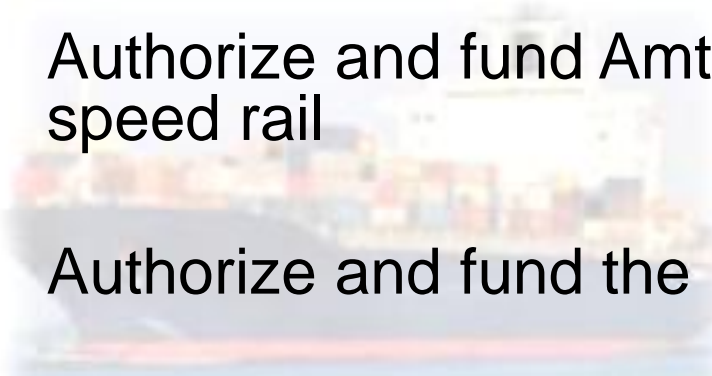
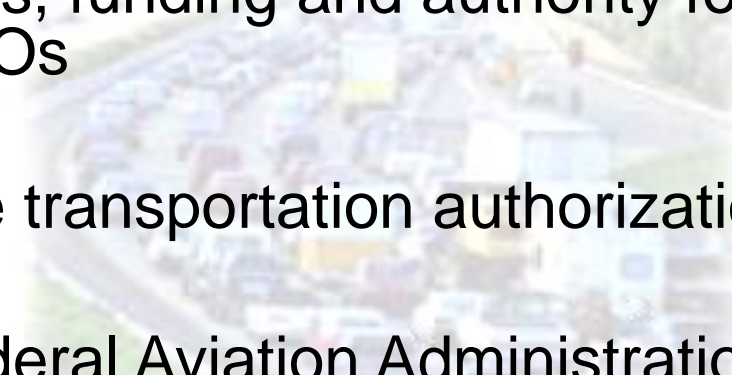
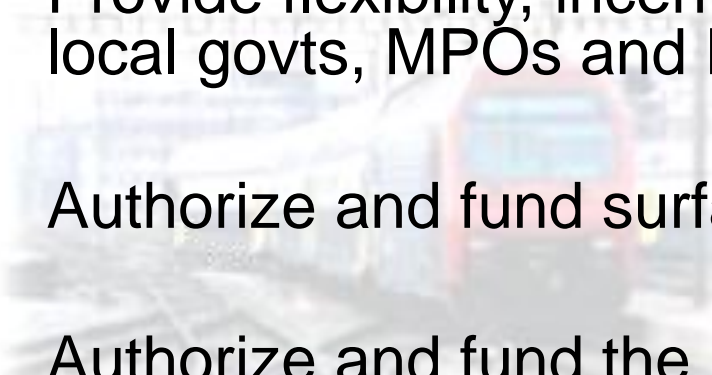
General NARC Priorities

NARC is advocating for:

- ☑ Authority to local and regional levels
 - Accept Responsibility
 - Intergovernmental partnership
- ☑ Increased local and regional funding
 - Incentives and resources
- ☑ Flexibility in programs and funding
 - Oppose unfunded mandates
- ☑ Simplicity in programs and process
 - Streamlining
 - Changes to regulations
- ☑ Consistency in programs

Transportation

- Provide flexibility, incentives, funding and authority for local govts, MPOs and RPOs
- Authorize and fund surface transportation authorization
- Authorize and fund the Federal Aviation Administration programs
- Authorize and fund Amtrak, passenger rail and high speed rail
- Authorize and fund the Livable Communities Act



Economic & Community Development

- Increase funding, program alignment and incentives to encourage regional, innovative approaches, practices and investments for growth and sustainability.
- Authorize and fund legislation for core infrastructure and community-based projects in rural and urban America.
- Authorize and fund the Economic Development Administration.
- Authorize and fund the Workforce Investment Act.
- Authorize and fund the Farm Bill.
- Authorize and fund the Livable Communities Act.

Homeland Security

- Create a federal partnership with and recognition and support for regional emergency preparedness, response and recovery.
- Establish a competitive emergency preparedness grant program for COGs.
- Develop case studies on regional emergency planning and response.
- Support interoperable communications system for public safety.
- Fund core FEMA grant programs, e.g. UASI.

Environment

- Support regional environmental programs, tools and technical assistance for integrated planning.
- Authorize and fund legislation for increased regional planning funding, authority and incentives in core environmental programs.
- Develop incentive-based programs for localities and regions to create innovative environmental solutions.
- Authorize and fund Livable Communities Act.

Main Message for the Hill

Local governments working regionally
saves money, increases efficiencies and
provides streamlined processes for
success!

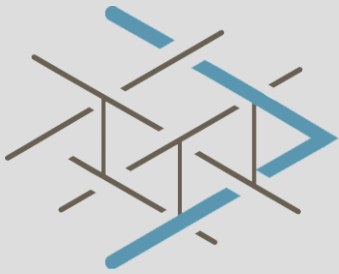
Legislative and regulatory activities need to encourage this!

Improving NARC

How can NARC better serve you?

How do we align our legislative priorities/activities?

What from Congress/Administration will help your region?



NARC

Building Regional Communities

Questions/Comments?

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