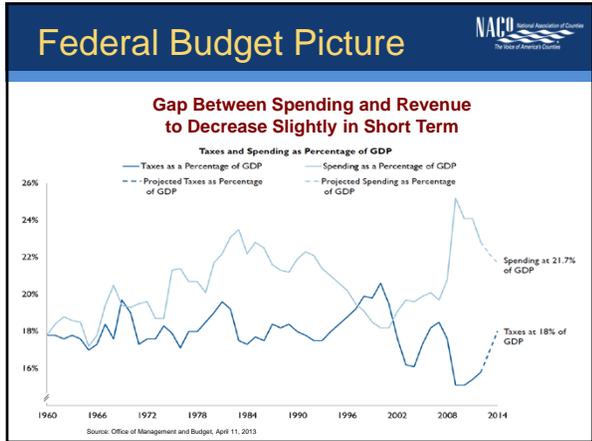
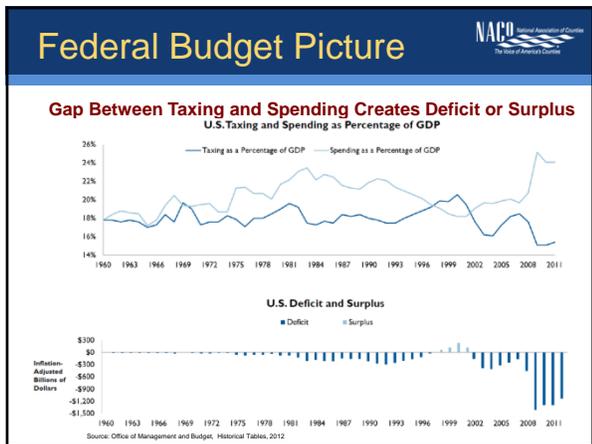


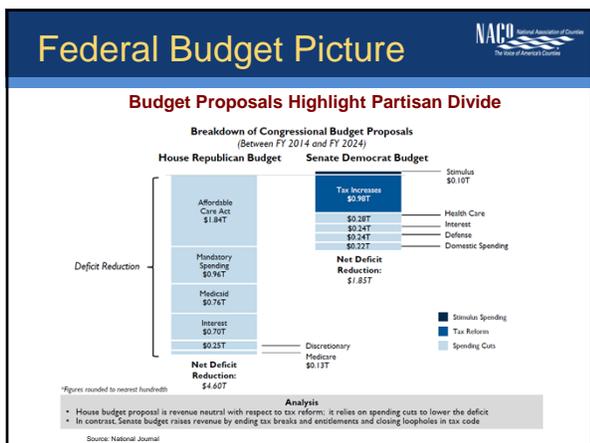
NACO National Association of Counties
The Voice of America's Counties



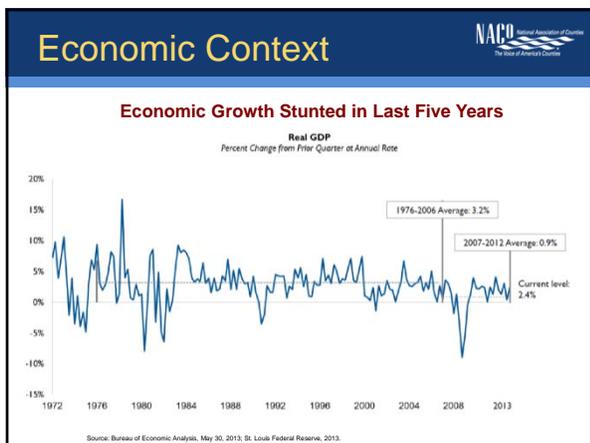
Federal Actions – or Lack Thereof – Impacting Counties
North Carolina Association of County Commissioners Annual Conference
August 23, 2013







- ## Timeline
- NACO** National Association of Counties
The Voice of America's Counties
- ### Key Issues and Timelines
- **Sequestration in Effect:** Across-the-Board Cuts (Began March 1, 2013)
 - **FY2013 Federal Appropriations:** Process Completed for FY2013
 - **President's FY2014 Budget:** Release Delayed Until April 10, 2013
 - **FY2014 Appropriations Process:** Congress has Started, No Major Accomplishments Yet
 - **Tax and Entitlement Reform:** Hearings/Information Gathering Mostly Completed, Member Discussions Occurring, Possible Drafts Out???
 - **Federal Debt Ceiling Deal:** Debate Delayed to Fall 2013



Economic Context

State and Local Government Finances...Some Good News

- Total revenue for state and local governments reached an all-time high of \$3.4 trillion in 2011, up 8.4% from 2010
- Individual income tax revenue increased 9.5% to \$284.9 billion
- Corporate income tax revenue increased 10.7% to \$48.5 billion
- Tax revenue also reached a record high in 2011, increasing 5.3% to \$1.3 trillion collected
- Education was the largest single expense (\$861.1 billion) for 2011, followed by public welfare spending (\$492.0 billion) and insurance trust expenses (\$361.4 billion)

Source: U.S. Department of Commerce, Economics and Statistics Administration, U.S. Census Bureau 2013

Political Context

Congressional Approval Hovers Near Three-Decade Low

Congressional Approval Rating

Source: Gallup.com, March 2013

Political Context

Increased Polarization...

A House Divided

1982
In the first year *National Journal's* vote ratings were conducted, the scores revealed a House in which both Republicans and Democrats spanned the ideological spectrum. Liberal Republicans and conservative Democrats were common.

1997
After the 1994 Republican Revolution, the parties achieved a greater degree of ideological cohesiveness. Compared to 1982, more Republicans gravitated to the conservative end of the scale, and more Democrats to the liberal end.

2012
Thirty years on, the dividing line between the parties has dramatically sharpened. There are only a handful of Republicans with scores more liberal than the most conservative Democrat, and vice versa.

Thirty years of vote ratings show the sorting out of the two parties by ideology.

Distribution of liberal composite scores, by party

Source: *National Journal* analysis of House roll call votes

Graphics by PETER BELL
