

Federal Actions Impacting Counties

**North Carolina Association of County Commissioners
Annual Conference**

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What's Ahead

➤ **Congressional Schedule**

- In recess until September 9
- More time in the state / congressional district

➤ **Spending**

- No budget agreement for overall spending cap
- \$91 billion difference between House and Senate
- Continuing Resolution (CR) past October 1
- Sequestration II effective 15 days after adjournment
- Raising debt limit / end of the year fiscal cliff / tax reform

Appropriations

- Annual appropriation bills decide federal spending for all government programs.
- Deadline for passing appropriations is September 30th, the end of the federal fiscal year. (9 legislative days left)
- CR usually short-term extensions, but can extend the entire fiscal year.
- Serious threats to county programs.

Sequestration

- Across the board cuts established by Budget Control Act of 2011.
- First cuts enforced on March 1st of this year, with additional rounds possible through 2021.
- Social Security and Medicaid are exempt.
- Sequestration part 2 automatic 15 days after Congress adjourns if no budget agreement reached.
- Articles on current impact of sequestration by state:
<http://www.americanprogress.org/issues/economy/news/2013/07/12/64832/mapping-the-sequester/>

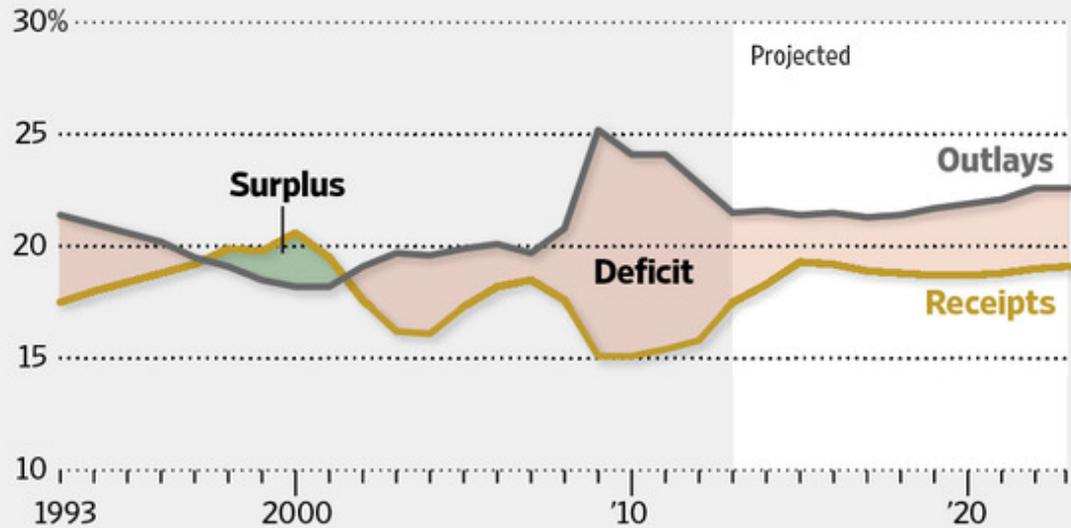
Debt Limit

- First major concern in 2011 when going over the debt limit was fast approaching and “Super Committee” was assembled for a solution.
- Want to stay under limit to continue good credit rating and American borrowing abilities.
- When super committee failed, automatic sequestration, raising the debt limit, and raising taxes bought Congress more time.
- May be delayed again with new \$10.2 billion payment from Fannie Mae.

Deficit

Growing Pains

The deficit is shrinking after record highs, but the respite could be short-lived.



Sources: White House; Congressional Budget Office (projected)

The Wall Street Journal

Tax Reform

- Senate offered “blank slate” with July 26 deadline for Senators’ proposals.
- At risk:
 - ✓ Municipal bonds
 - ✓ Deductions for state and local taxes
 - ✓ HMID and real property tax deductions
- No House proposal yet.

Policy Pending

- Farm Bill
- Immigration Reform
- Water Resources Development Act / Water Resources Reform and Development Act
- Reauthorization of Workforce Investment Act
- Payment in Lieu of Taxes (PILT)
- Marketplace Fairness Act

Why Advocate?

- You cannot afford not to advocate.
- Elected officials are the best advocates.
- You are the expert.
- You help make the local connection.
- Give them tools for making your case.

Thank You

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