

# COUNTY OF ORANGE BOARD OF SUPERVISORS



Washington Report  
December 4, 2012

# I. 2012 Election

- A. Status Quo election? Perhaps not.
- B. President Obama re-elected; increased Democratic majority (55-45) in Senate; Republicans retain control of House (234-201) though Democrats gain seats



## II. The “Fiscal Cliff”

### A. Negotiations begun in mid-November

1. President Obama and House Speaker John Boehner lead negotiators
2. Outliers in either party are not averse to going over the cliff



## II. The “Fiscal Cliff”

### B. Two major options

1. Complete a big deal in the lame duck Congress
  - a. Reform the tax code
  - b. Reduce the spending cuts called for in the sequestration scheduled to take effect on January 2, 2013
  - c. Raise the National Debt ceiling
  - d. Begin discussions on entitlement reform



## II. The “Fiscal Cliff”

2. Enact a short term solution in 2012; work on major reform in 2013
  - a. Prevent the 2001 & 2003 tax cuts from expiring for all except the top 1 or 2 percent
  - b. Delay the sequestration until 113th Congress can deal with it
  - c. Raise the National Debt ceiling
  - d. Require changes to entitlement programs as part of any long-term deal



### III. Fiscal Year 2013 Appropriations

- A. Current Continuing Resolution (CR) runs through March 2013 with a spending cap of \$1.047 trillion as laid out in Budget Control Act of 2011
- B. House and Senate Appropriations Committees would like to pass an omnibus FY 2013 bill this month and be done with 2013 before the FY 2014 budget is delivered to Capitol Hill



### III. Fiscal Year 2013 Appropriations

C. Army Corps of Engineers is operating without an official “work plan” until 2013 energy and water appropriation is finalized; additional funding for SARP will depend on final funding numbers for the Corps



## IV. Health Care Reform

A. Election would seem to end efforts to repeal “Obamacare”

1. One month extension granted to November 16 deadline for states to decide if they will set up their own health insurance exchanges or allow the Federal Government to do so
2. Department of Health and Human Services moving forward with publication of regulations governing operation of Affordable Care Act beginning in 2014



## IV. Health Care Reform

B. Republican proposals to block grant Medicaid (Medi-Cal) to the states now dead

1. Medicaid will be part of any entitlement reform discussion, however
2. ACA changes to Medicaid will proceed



## V. Pension Reform

- A. Representative Loretta Sanchez has been told by Ways & Means Committee that it is unlikely that H.R. 2934, or a bill limited just to Orange County, would be part of tax extenders legislation in the lame duck Congress
- B. Representatives John Campbell & Ed Royce have also agreed to ask Ways & Means to move on H.R. 2934 or an alternative
- C. Discussions with California's Senators about their support or opposition to Orange County's reform efforts



## VI. Water Resources Development Act (WRDA)

- A. Draft bi-partisan Senate bill, unlikely to move in lame duck session
  - 1. No specific “earmarked” authorizations; generic authorization of projects having a completed Chief of Engineer’s report
  - 2. Establishes a Water Infrastructure Finance and Innovation Act (WIFIA) loan program for Corps and EPA modeled on Transportation Infrastructure Finance and Innovation Act (TIFIA) program at DOT

## VI. Water Resources Development Act (WRDA)

B. House has not indicated a desire to bring up WRDA legislation before 2013



# Questions/Comments



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