



WASHINGTON UPDATE

444 N. Capitol Street NW, Suite 234 ♦ Washington, DC 20001 February 18, 2014

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New Report Identifies Ways for States to Budget More Effectively

The Center on Budget and Policy Priorities (CBPP) released a report last week entitled “Budgeting for the Future: Fiscal Planning Tools Can Show the Way.” The report discusses ten “tools” that the CBPP says would help states chart their fiscal course more accurately and make mid-course corrections when needed. The ten tools in the report fall into three broad categories:

- A map for the future: The budget and accompanying documents should include a detailed roadmap of the budget’s immediate and future impacts on the state’s fiscal health.
- Professional and credible estimates: Standards and sufficient oversight are needed to guarantee that analyses of the budget’s impacts are professional, credible, and prepared without political influence.
- Ways to stay on course: Mechanisms should be in place to trigger any needed changes during the budget year, before too much damage is done.

The report ranks all 50 states and the District of Columbia using the ten tools. The report states:

“The timing is right for states to adopt a much more rigorous approach to their long-term budget planning. The fiscal crisis of the last few years prompted skepticism about states’ ability to fund public services such as education,

health care, and infrastructure... The federal government, which provides about one-quarter of state and local revenues, is on track to make deep spending cuts that could hit states hard.”

The full CBPP report can be seen at <http://www.cbpp.org/files/2-4-14sfp.pdf>.

SEC Names Investor Relations Leader

The U.S. Securities and Exchange Commission has named Rick Fleming as the first head of the agency’s Office of the Investor Advocate. Mr. Fleming, currently deputy general counsel with the North American Securities Administrators Association (NASAA), will assume his new role on Feb. 24, 2014. He spent more than 20 years in state government in Kansas working in the Office of the Secretary of State, the Office of the Governor, and the Office of the Securities Commissioner.

The Dodd-Frank Wall Street Reform and Consumer Protection Act established an Office of the Investor Advocate at the SEC and required appointment of an investor advocate to report to Chairman Mary Jo White. As the investor advocate, Mr. Fleming will lead an office charged with assisting retail investors in interactions with the Commission and with self-regulatory organizations (SROs). The office will also identify areas where investors would benefit from changes in the rules and regulations of the SEC and SROs,

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identifying problems that investors have with financial service providers and investment products and proposing related changes to promote the interests of investors.

House Oversight Demands New York State Repay Billions in Medicaid Funds

Last Tuesday, the House Oversight and Government Reform Committee issued a letter to Secretary Kathleen Sebelius of the U.S. Health and Human Services Department demanding repayment of several billions in Medicaid payments that the committee deems fraudulent. According to the committee's calculations, New York received approximately \$15 billion in federal overpayments between 1991 and 2011 through state-operated developmental centers. The letter to Secretary Sebelius states: "As a key steward of the federal Medicaid program, you have a responsibility to ensure that taxpayers are reimbursed for improper Medicaid payments and that State waiver requests do not impose additional costs on the program."

The Committee letter can be found at <http://oversight.house.gov/release/oversight-leaders-urge-action-new-york-medicaid-overpayments/oversight.house.gov/wp-content/uploads/2014/02/2014-02-11-DEI-Lankford-Jordan-to-Sebelius-re-NY-Medicaid-due-02-14-14.pdf>.