



# WASHINGTON UPDATE

444 N. Capitol Street NW, Suite 234 ♦ Washington, DC 20001 April 7, 2014

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## Senate Committee Moves Tax Extenders Bill

The Senate Finance Committee passed a bill of expiring tax provisions last week, often known as tax “extenders.” The bill, the Expiring Provisions Improvement Reform and Efficiency (EXPIRE) Act, includes the federal deduction for state and local general sales taxes for those individuals whose states do not have income taxes. Those states include Alaska, Florida, Nevada, South Dakota, Texas, Washington, Wyoming, New Hampshire and Tennessee. The EXPIRE Act sunsets on December 31, 2015.

Committee Chairman Ron Wyden (D-OR) issued a statement on the EXPIRE Act, signaling that all of the provisions will be under review in the future as to their permanency:

“Many of these extenders are well-intentioned and ought to be permanent. Their stop and go nature obviously contributes to the lack of certainty and predictability America needs... Now that everybody knows what tax extenders are, I want to be straightforward on one point – this will be the last tax extenders bill the committee takes up as long as I’m chairman. That’s why the bill is called the EXPIRE Act. It is meant to expire.”

The Joint Committee on Taxation issued a report on the cost to the federal government of the various expiring individual and business provisions:

<http://www.finance.senate.gov/imo/media/doc/JCT%20Estimate%20of%20EXPIRE%20Act.pdf>.

In response to this legislation, the House Ways and Means Committee announced a hearing for this Tuesday, April 8, to explore the value in having stable, permanent tax policy for employers, as well as the problems caused by tax policies that frequently expire and are extended for short periods of time, and often retroactively.

Hearing details can be found at <http://waysandmeans.house.gov/news/documentsingle.aspx?DocumentID=374894>.

## SEC Shuffles Muni Office

The U.S. Securities and Exchange Commission has announced some changes within the Office of Municipal Securities (OMS):

Rebecca Olsen has been named chief counsel within the OMS. Ms. Olsen joined the Office of Municipal Securities in 2013, where she contributed to the municipal advisor registration rule-making project, reviewed Municipal Securities Rulemaking Board (MSRB) rulemaking, and consulted with the Division of Enforcement on municipal securities enforcement matters. Her new responsibilities will include review of MSRB rulemaking and analysis of disclosure policy issues. In addition, Ms. Olsen will continue to serve as the of-

# WASHINGTON UPDATE (page 2)

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office's liaison to the Division of Enforcement's Municipal Securities and Public Pensions Unit.

Jessica Kane has been named deputy director of OMS. For the past year, Ms. Kane has served as senior special counsel to the director in the OMS, where she has played a leading role on the municipal advisor registration rule-making project. In her new role, Ms. Kane will play a leading role in overseeing all aspects of the OMS, including implementation and operation of the municipal advisor registration regime, oversight of MSRB rulemaking, municipal market structure initiatives, disclosure policy, and coordination on municipal enforcement matters.

### Creating a "21<sup>st</sup> Century Government"

The Senate Homeland Security and Governmental Affairs Committee held a hearing last Monday to get outside views on the concept of "Creating a 21st Century Government". Panelists included Robert Shea, chairman of the National Academy of Public Administration and principal of the Global Public Sector at Grant Thornton, and Shelley Metzenbaum, president of the Volcker Alliance.

Mr. Shea noted advancements in reporting federal funding as one of the steps towards the goal of a twenty-first century government:

"After the Federal Funding Accountability and Transparency Act became law, committee staff were integrally

involved in the very difficult process of merging agency systems into an easy-to-use website that reported financial transactions... At the time, it was the most comprehensive source of federal financial transactions ever built."

Ms. Metzenbaum, whose Volcker Alliance encourages public, private, and educational institutions to give sustained attention to excellence in the execution of federal, state, and local policies, focused some of her critique on grants management. Noting the often convoluted nature of federal grants, she stated:

"Federal grants need to be more agile and performance-focused. Federal agencies that depend on state and local governments to accomplish their objectives need to do more than award grants. They also need to play a strong learning leadership role: studying local experiments or causing that kind of [performance] study to occur. They need to support problem-solving and learning networks that figure out the right data to collect; [and] produce analyses useful at the national, state, and local level."

Hearing video and testimony from all the panelists can be found at [http://www.hsgac.senate.gov/hearings/management-matters-creating-a-21st-century-government\\_part-ii-outside-views](http://www.hsgac.senate.gov/hearings/management-matters-creating-a-21st-century-government_part-ii-outside-views).