

Washington Update



HOUSE PASSES HQLA, SENATE UP NEXT

Last Monday, the U.S. House of Representatives approved a bi-partisan bill by a voice vote that would force banking regulators to classify investment-grade municipal bonds as liquid assets. The bill, H.R. 2209, will require federal banking regulators to include municipal bonds as high-quality liquid assets (HQLAs). H.R. 2209 is sponsored by Rep. Luke Messer (R-IN) and is co-sponsored by Rep. Carolyn Maloney (D-NY), and will now move to the Senate for consideration, although no companion legislation has yet been introduced. Responding to the announcement of the bill's passage, Indiana State Treasurer Kelly Mitchell, stated:

“H.R. 2209 allows banks to keep the costs of borrowing low to our communities which strengthens local governments’ ability to complete essential projects throughout our state. I would like to thank Congressman Messer for his dedication and leadership on this important issue.”

Bill details and a full list of co-sponsors can be found at <https://www.congress.gov/bill/114th-congress/house-bill/2209>.

To view a joint letter supporting H.R. 2209, signed by NASACT among other associations, go to www.nasact.org/files/Federal_Relations/Congressional_Reg_Comments/2016_01_HR_2209_Support_Letter.pdf.

PUBLIC PENSION REFORM GROUP LAUNCHED

Former New York Lieutenant Gov. Richard Ravitch, former Chicago Chief Financial Officer Lois Scott, and former San Jose Mayor Chuck Reed have banded together to form a new group aimed at reforming the public pension landscape. The new group, called the Retirement Security Initiative (RSI), is an advocacy organization focused on protecting and ensuring the fairness and sustainability of public sector retirement plans. The group states that it will work at the federal, state, county and municipal levels to inform and educate policy leaders and the public regarding the importance of fair and sustainable public sector retirement plans, and organize and support policy development and advocacy efforts at the federal, state and



local levels, and to build strategies and organize support for fair and sustainable retirement plans.

On its website, RSI claims:

“State and local governments have a responsibility to provide essential services that protect the safety, health, welfare and quality of life for all Americans; state and local governments have an obligation to ensure that their retirement plans are sustainable, fiscally sound and responsibly managed so that all retirees and employees get paid what they have earned; and solutions to the funding and cost crises need to be developed with input from employees, retirees, labor, management, taxpayers and fiscal experts.”

The RSI website can be found at www.retirementsecurityinitiative.org.

NEW GAO WATCHBLOG COVERS DATA ACT AND TRACKING FEDERAL SPENDING

The U.S. Government Accountability Office’s Watchblog last week discussed what the government has done so far to implement the DATA Act—and what is still left to do. GAO’s Michelle Sager, director in the strategic issues team, conducted a podcast on the topic, and included a historical infographic of the DATA Act. The Watchblog also gave suggestions on how to move forward with its implementation, including a recommendation to the U.S. Office of Management and Budget to align the finalized release of technical guidance to the agencies in the near future. The full podcast and infographic can be found at <http://blog.gao.gov/2016/02/03/tracking-federal-spending-with-the-data-act-infographic-and-podcast/>.

MERKLEY INTRODUCES RETIREMENT BILL FOR THOSE WITHOUT ACCESS

Sen. Jeff Merkley (D-OR) has introduced a bill that would give workers without access to a retirement savings plan through their employers the ability to save for retirement through their own personal retirement savings account modeled on the same retirement savings plan already used by federal workers.

The bill, known as The American Savings Act, would put three percent of employee earnings into an ASA account with each paycheck. Contributions could be adjusted to as low as two percent of income or as high as \$18,000 per year, and workers could also opt out entirely. In releasing his bill, Sen. Merkley stated:

“It shouldn’t matter whether you work part-time or full-time, as an employee or as a contractor, or for a huge corporation or a tiny business: every American worker deserves access to a financially secure retirement. With private-sector pensions becoming rarer and rarer, Social Security and retirement savings are more important to retirement security than ever, which is exactly why we must strengthen Social Security and expand high-quality retirement savings options to all workers. This plan helps millions of American workers to save easily and automatically for retirement with tax benefits, rock-bottom fees and the same types of high-quality investment options already enjoyed by federal workers and members of Congress.”

Full text of the bill can be found at www.merkley.senate.gov/imo/media/doc/20160128_ASARetirement.pdf.

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