THE CSTE WASHINGTON REPORT

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May 10, 2012 Volume 14, Number 6

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The *CSTE Washington Report* is provided as an information resource for members of the Council of State and Territorial Epidemiologists on federal legislation and regulation affecting public health and epidemiology in the U.S.

UPDATE ON STUDENT LOAN DEBATE AND THE PREVENTION FUND -- A debate between the parties has erupted on the issue of student loans. Student loan rates, now at 3.4 percent, are scheduled to nearly double by July 1st unless Congress acts. The House recently passed legislation, offered by the Republican majority, to lower rates and pay for it by eliminating the Prevention and Public Health Fund (PPHF) of the Affordable Care Act. In response to the House action, the White House issued a Statement of Policy putting Congress on notice that if the House bill, or any other bill comes to his desk using PPHF funds to pay for student loan relief, he will veto it.

Republicans in the Senate filed similar legislation called the “Interest Rate Reduction Act,” which they intended to offer as an amendment to Democratic legislation that uses elimination of oil and gas tax breaks, and other sources to fund their version of a student loan fix. In preparation for the Senate vote, Sen. Harkin (D-IA), along with a few other Democratic colleagues, has been circulating a Dear Colleague letter for sign on by other Senators urging Senate leaders Reid and McConnell to oppose the Interest Rate Reduction Act and any measure that uses the PPHF to offset student loan reduction costs. Public health groups have been urging their members to contact Senators to sign the Dear Colleague. CSTE sent its own letter to the entire Senate the morning of May 7th opposing any reduction of the PPHF for student loan needs, or any other purpose.

A cloture vote to proceed without filibuster on the issue was held on May 8th and failed by a vote of 52-45, with Sen. Olympia Snowe (R-ME) voting present. The issue has not been rescheduled for a vote. In the meantime, the Dear Colleague letter has garnered a total of 34 signatures; 40 are needed to avoid failure of a cloture vote.

UPDATE ON BUDGET MANUEVERS TO AVOID AUTOMATIC SEQUESTRATION TOTALLING $1.2 TRILLION – Under the Budget Control Act which passed last summer, a total of $1.2 trillion in cuts over a 10 year period must be enacted by Congress, or cuts of this magnitude will automatically go into effect on January 2, 2013 under a process called sequestration. The cuts would fall nearly equally on discretionary defense and security spending and on non-defense, or domestic spending. A bipartisan committee, dubbed the Super-Committee, was established to facilitate finding the needed cuts to avoid automatic, across-the-board reductions, but failed by the deadline late last year. Republicans in the House have devised an alternative budget cutting plan, dubbed the "repeal and replace" bill (H.R. 4966) to that set out in the Budget Control Act. A vote to push it through will occur on the House floor today, May 10. Key features of H.R. 4966 are, for mandatory programs, replacement of $100 billion in automatic spending cuts with $310 billion in cuts to specific programs such as Medicaid, food stamps, and other services for the poor. Discretionary programs would be cut $19 billion more than under the Budget Control Act and the separate caps that Act required for dense and non-defense spending would be eliminated. This means that the additional cuts would likely fall more heavily on non-defense spending, including public health agencies like CDC, than on the pentagon.

The Senate, under the control of Democrats, is unlikely to take up the House bill, or any similar measure, although conservative Republicans are offering an alternative to automatic sequestration. The Senate Democratic leadership has announced its intention to reject any alternative measure to sequestration that is not "balanced," that is, that includes tax increases.