Week of October 27th

The midterm elections are only eight days away. There is a large consensus that Republicans will maintain control of the House, but tight Senate races in several states makes it difficult to predict who will control the Senate. President Obama will head on the campaign trail to stump for blue state democrats in Wisconsin, Maine, Rhode Island, and Connecticut. Democrats in hot races are hoping Mrs. Obama's high approval ratings will give them an edge, as the First Lady heads to Iowa, Colorado and Georgia this week.

Focus this week will remain on Ebola. Strict state quarantine and monitoring orders in New York, New Jersey, Illinois and Florida have sparked a national discussion on how to handle healthcare workers and travelers entering the United States from Ebola-stricken West African nations. On Sunday, reportedly under pressure from medical experts and the White House, Governor Andrew Cuomo (D) of New York eased his quarantine order. Senior Administration officials are working on a uniform national policy they will urge all states to adopt. The new guidelines are expected to be released sometime this week. In response, the Senate Appropriations Chair Barbara Mikulski (D-MD) announced the Committee will hold the first Senate hearing on the Ebola issue on November 6.

Also this week, the Economic Development Administration, along with eleven partnering federal agencies, will host an Investing in Manufacturing Community Partnership (IMCP) Program Summit in Washington on October 30-31. The first annual IMCP Summit aims to provide a venue for designated communities, applicants, potential applicants, and interested parties to share best practices and experiences on promoting manufacturing in their communities.
Farm Bill Provision Will Take Effect A Year Early

Secretary of Agriculture Tom Vilsack announced Tuesday, October 21st that a new crop insurance rule enacted in the 2014 farm bill will be implemented in time to cover crops planted in the spring of 2015. The provision, originally scheduled to take effect in 2016, will provide relief to growers that have been hit hardest by sustained drought conditions over the past few years by providing an Actual Production History (APH) adjustment option. APH is used to determine the amount of crop insurance coverage a grower is eligible to purchase, and is usually the average production over the past ten years. Successive drought years can significantly reduce APH, which limits the ability of farmers to insure against risk. The new provision allows growers to adjust their APH by dropping years where production in their county was less than 50% of the prior county-wide ten-year average. This would most likely increase the annual premium for crop insurance, but will allow growers to purchase a meaningful amount of coverage. Read More...

Federal Reserve Expected to End QE at Wednesday's Meeting

This Wednesday, the Federal Reserve Open Market Committee (FOMC) holds its October meeting, and is expected to announce the end of its longer term asset purchase program, commonly called Quantitative Easing (QE). QE is a program meant to complement 'normal' monetary policy (where purchases of short-term treasuries are used to set the federal funds rate, the overnight borrowing rate between banks) by purchasing long-term US treasuries and mortgage-backed securities. The Fed began slowing the rate of QE asset purchases earlier this year, and has long indicated it will end the program in October. After financial volatility in recent weeks, this is less certain, and even if QE is ended, the federal funds rate is likely to remain near zero for quite some time. Read More...

60 Percent of Medicare Spending Slowdown Attributable to Part D

Since 2011, the Congressional Budget Office (CBO) has revised its projections for spending on Medicare over 2012-2021 downward by $530 billion. While $75 billion of this is from sequestration and another $85 billion from increased recoveries from improper payments, this leaves $370 billion in savings attributable to a slowdown in actual healthcare spending. Of this, $225 billion comes from savings in Medicare Part D, which covers prescription drugs. A recent CBO report explains that the slowdown is a result of more prescriptions being filled by generic drugs and lower enrollment in Part D. The rise in generic drug use is a result of a slowdown in new branded pharmaceutical releases, as well as a number of key pharmaceutical patents expiring in the coming years. While the savings from Part D account for 60% of the slowdown in Medicare spending, Part D is only 10% of the program's budget, which raises doubts that the current rapid decline in Medicare spending will continue in the long run. Read More...

FTA Announces Bus and Bus Facilities Award Recipients

Today the Federal Transit Administration (FTA) announced the selection of projects with prior year Section 5309 Bus and Bus Facilities funds and prior authorizations for the Bus and Bus Facilities Program (Ladders of Opportunity Initiative). The amount available to projects is $100 million. On August 4, 2014, FTA published a Notice of Funding Availability (NOFA) (79 FR
32358) announcing the availability of funding for this program. These program dollars will provide financial assistance to purchase, replace, or rehabilitate buses, bus facilities, and bus-related equipment, and other eligible capital project costs. Click here for the official announcement and table of award recipients and grant amounts.

Congressional Schedule

No hearings scheduled as Congress is currently in recess.