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## Memorandum

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From: Rick Spees, Jane Sargent and Jose Villalobos  
To: Board of County Commissioners  
CC: Phillip Drujak  
Date: May 6, 2022  
Subject: April 2022 Monthly Report

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### **Appropriations Update:**

This is the time of year that Congress is reviewing the President's budget for next fiscal year. We are currently operating under Fiscal Year 2022. Congress did not complete action on the FY 2022 budget until well into the fiscal year, but it is done now and the agencies are in full operation. The current fiscal year ends on September 30<sup>th</sup>. The President has submitted his proposed budget to the Congress for Fiscal Year 2023, which will obviously start on October 1<sup>st</sup>. The goal is for Congress to review and pass all the legislation needed to enact the budget before the start of the next fiscal year.

The review process has several moving pieces. The budget is a massive document that impacts both taxes and spending. The House and Senate Budget Committees review the entire document and set big picture goals—how much taxes should go up (or down), how much overall spending should be allowed and what the size of the resulting budget deficit will be. At the same time the two committees with jurisdiction over taxes—the House Ways and Means Committee and the Senate Finance Committee—pass legislation to change tax laws. Finally the House and Senate Appropriations Committees review all the spending proposals. While the budget and tax committees are important, we are focusing on the Appropriations process.

There are twelve subcommittees in both the House and Senate Appropriations Committees. Each subcommittee has jurisdiction over a specific part of the budget. For example there is one

subcommittee that handles agriculture programs. Another handles defense spending. Some subcommittees handle more than one agency. For example there is one that covers the Departments of Transportation and Housing and Urban Development. Taken together the twelve subcommittees cover the entire federal budget. The subcommittees have identical jurisdiction between the House and the Senate.

Right now the various subcommittees are having hearings to review the agency budgets. All the cabinet secretaries, and many other key administration officials, are testifying. At the same time, members of Congress are sending their requests and priorities to the subcommittees. Outside stakeholders are also contacting the staffs of the subcommittees to make their case for more spending on certain items. The hearing process will last throughout May and the first part of June. At that point the subcommittee staffs will have all the information they need to prepare the bills.

However, before the subcommittees can mark-up the legislation Congress must decide how much it will spend in total on all the budget bills and how much they will spend on defense and how much on domestic programs. These are absolutely crucial decisions. Nothing can happen until this is done. That has not happened yet this year.

Last year it took months and months for Congress to set make those decisions. The Administration proposed massive increases in spending for domestic programs and a much smaller increase for defense programs. The Republicans opposed the overall increases and also wanted the amount of increases for defense spending to be equal to the domestic increases. The deadlock meant that the budget bills were not passed before the start of the fiscal year. Congress had to pass Continuing Resolutions to keep the government operating at a minimal level until they could work out their differences.

The leadership of the House and Senate Appropriations Committees have started meeting this year in hopes of working out a deal. We hope they will get a deal done soon. There are reasons to be optimistic. The Democratic chair of the Senate Committee, Senator Leahy, and the Ranking Republican, Senator Shelby, are both retiring at the end of the session. They want to go out on a win. Also the Democrats want to get the bills done because they are concerned that they will lose the House in the November elections. If the bills are not done, it would allow the Republicans to make changes to them when they take over in January.

We will continue to monitor the progress of the entire budget process.

### **Miami Dade County Programmatic Requests:**

In March and April, we worked with the County on its FY 2023 programmatic appropriations requests to be submitted to the House members of the Miami-Dade delegation and Florida's two Senators. We worked with the Office of Intergovernmental Affairs to complete and submit five of the County's programmatic appropriations requests, including the necessary forms and letters

for each office. This includes appropriations requests for law enforcement, community development, public housing and health priorities. The County's requests were submitted to the House members in March. Members had to submit their requests to the House Appropriations Committee in late April. The forms were due to Senators Rubio's and Scott's offices in April. Senators have to submit their requests to the Senate Appropriations Committee in May. The deadlines for requests vary by subcommittee. Throughout the FY 2023 appropriations process, we will work with the County to weigh in on the items it supports and opposes in the President's budget and help to secure funding for the County's priorities in the appropriations process.

### **Coronavirus State and Local Relief Funds (SLFRF):**

The U.S. Treasury Department's final [rule](#) on the Coronavirus State and Local Fiscal Recovery Fund made available under the American Rescue Plan Act (ARPA) was effective April 1, 2022. However, local governments were allowed to take advantage of the final rule's flexibilities and simplifications ahead the effective date.

The ARPA provided \$350 billion to states, local and tribal governments to help respond to and recover from the COVID-19 public health emergency. Recipients were allowed to use the funds to replace lost public sector revenue to provide government services, respond to the public health and negative economic impacts of the pandemic, provide premium pay for essential workers, and invest in water, sewer and broadband infrastructure.

Local governments had several concerns with the interim rule for the Fiscal Recovery program, which was published last year. They pushed for key improvements in the final rule, which was released in January. One of the improvements in the final rule allows local governments to use up to \$10 million of recovery funds as "lost revenue" for the provision of general government of services without using the Treasury's complicated lost revenue formula. It also allows local governments to include municipally-owned utility revenue as part of general revenue for calculating lost revenue. The final rule also expands the eligible uses of funds for water and sewer projects, provides greater flexibility for broadband infrastructure investments, and permits funds to be used for cybersecurity. The final rule also broadens the share of eligible workers who can receive premium pay and allows the re-hiring of local government staff at or above pre-pandemic levels. These and other changes to the interim rule are intended to help local governments use the recovery funds more effectively.

In late April, the Treasury Department released a new [Frequently Asked Questions document](#) for the Final Rule that includes several answers to questions associated with and unique to the Final Rule as well as modified answers to questions covered previous FAQs. Treasury plans to update the FAQs periodically in response to questions received from stakeholders.

**Activities for May:**

The House is out of session for the first week of May. The chamber will be out of session again from May 20<sup>th</sup>-June 6<sup>th</sup>. The Senate will also be out of session the week of May 30<sup>th</sup> for the Memorial Day holiday. The House and Senate will continue their hearings on the President's FY 2023 budget request and the Appropriations Committees will start the process of preparing the appropriations bills. The House is expected to start marking up its version of the bills in June. The Senate are usually a bit further behind in the process and are again this year. The Administration and Congress will also continue closely tracking the situation between Russia and Ukraine and providing assistance and diplomatic support to help resolve the conflict. The Biden Administration recently requested an additional aid package for Ukraine, which Congress is currently considering. As always, we will continue to monitor and report on Presidential actions and other legislative developments of interest to the County.