

Memorandum

From: Rick Spees, Jane Sargent and Jose Villalobos
To: Board of County Commissioners
CC: Phillip Drujak
Date: April 7, 2023
Subject: March 2023 Monthly Report

Appropriations Update:

In March the two parties did a lot of posturing on the budget but didn't make any progress on either the debt ceiling of the Fiscal Year 2024 budget. Hopefully real action will occur in April.

There are two fiscal items that must eventually be dealt with. The first is the need to raise the national debt ceiling. The second is to pass the federal budget for next fiscal year – Fiscal Year 2024 – which starts on October 1st. The Republicans are attempting to tie the two together, while the White House and the Democrats say that the issues are distinct and should be addressed separately. The reason the Republicans are trying to tie the two together is because doing so will give them more leverage. They want to force spending cuts and they know that they will need all the leverage they can muster to force the Democrats to agree to cuts. The Democrats, through the President's budget, are proposing more spending, both for defense and non-defense programs. In late March, the Speaker sent a letter to the President calling on him to sit down and negotiate for a debt ceiling/spending cut package. The President immediately responded with a letter calling on the Congress to pass a bill to raise the debt ceiling without conditions and agreeing to sit down and talk about a spending package after the Republicans have developed and released their own budget. And so, the standoff continues.

We don't know for sure when the government will reach the limit of its existing borrowing authority. As you can imagine, managing the federal budget is exceedingly complex. Every day

there are tens of billions of incoming and outgoing flows of money. For example, in April massive amounts of money will flow into the government as individual taxpayers make their quarterly payments and pay their last 2022 taxes. How much will come in can only be estimated. So, all we know is that the government will eventually reach the end of the line and probably no later than early summer.

As has been pointed out in past reports, the Republicans only have a 4-vote majority in the House. And within that majority, there are about two dozen members that have never voted to raise the debt ceiling. It will be very difficult for the Speaker to write a debt ceiling bill that will garner enough Republican votes to pass. If the Democrats don't help him, we see two options that might work for him. The first is to pass a very short-term budget ceiling, one that will keep the government running for an additional three or four months. If he did that, the timing would line up between the debt ceiling and the FY 2024 appropriations bills. Then the two parties could work on both issues at the same time. The second would be for the Republicans to pass a very high-level debt ceiling bill – one that calls for deep cuts in the appropriations bills but is not specific as to where the cuts should come from. While the Democrats may not like this approach, they may let it pass because they know that they can put money back into the spending bills later.

In the meantime, the twelve appropriations subcommittees are holding hearings on the President's budget. As can be expected the Republicans are very critical of the President's budget while the Democrats are generally supportive.

At some point the posturing needs to stop, but we don't see it happening in the next few weeks.

Federal Lobbying Update:

In late March, we participated in a lobbying briefing for the Mayor's and Chairman's offices on current federal issues. We discussed the implementation of the Inflation Reduction Act (IRA) and the Bipartisan Infrastructure Law (BIL) and upcoming opportunities for local governments that may be of interest to the County. There was also discussion on the FY 2024 appropriations process. Other firms presented on legislation that Congress will be addressing this year including the Farm Bill and FAA reauthorization.

Miami Dade County Programmatic Requests:

In March, we worked with the County on its FY 2024 programmatic appropriations requests to be submitted to the members of the Miami-Dade delegation. We worked with the Office of Intergovernmental Affairs to complete and submit five of the County's programmatic appropriations requests, including the necessary forms. This includes requests for law enforcement, community development, public housing and health priorities. We also offered guidance on the appropriate accounts for Community Project Funding requests being developed by the County. Throughout the FY 2024 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.

FY 2024 Budget Highlights:

On March 9, President Biden released his FY 2024 budget proposal. Because the House is controlled by Republicans who have insisted on massive spending cuts back to FY 2022 levels, his budget will most certainly be changed by Congress. Having said that, it is interesting to see what the Biden Administration's FY 2024 budget includes for programs of interest to local governments.

Department of Justice

Community Oriented Policing Services (COPS) Programs: \$651 million for COPS programs, including \$537 million for COPS Hiring Grants. This is below the FY 2023 level of \$662.88 million for COPS programs, including \$324 million for COPS Hiring Grants.

Byrne Justice Assistance Grants (JAG): \$542.63 million for the Byrne JAG program. Within the total amount proposed, there are several set-asides for other programs, including \$40 million for Project Safe Neighborhoods (\$20 million more than FY 2023). The FY 2023 level for Byrne JAG is \$770.805 million, which includes \$229.551 million for Community Project Funding so the budget actually increases the amount for the program. The County advocates for maximum funding for the Byrne JAG program.

State Criminal Alien Assistance Programs (SCAAP): The budget does not propose funding for SCAAP, which provides federal payments to state and local governments for the costs of incarcerating undocumented immigrants. The FY 2023 level is \$234 million for SCAAP.

DNA Analysis Grants: \$147 million is proposed for these grants (\$23 million below FY 2023), including \$112 million for Debbie Smith DNA Backlog Grants (\$18 million less than FY 2023) and \$19 million for State and Local Forensic Activities (\$1 million less than FY 2023).

Coverdell Forensic Science Grants: \$35 million (same as FY 2023)

Opioid Initiative: \$411 million (\$34 million less than FY 2023) for programs to reduce opioid abuse authorized under the Comprehensive Addiction and Recovery Act (CARA) of 2016. This includes \$190 million for the Comprehensive Opioid Abuse Program (same as FY 2023).

Juvenile Justice and Delinquency Prevention Programs: \$760 million for juvenile justice programs (\$360 million more than FY 2023).

Domestic Violence and Sexual Assault Grants: \$1 billion for Violence Against Women Act (VAWA) Prevention and Prosecution Programs (\$300 million more than FY 2023).

Victims of Trafficking Grants: \$90 million (\$5 million less than FY 2023)

Bulletproof Vest grants: \$30 million (same as FY 2023)

Body Worn Camera Partnership Program: \$35 million (same as FY 2023)

Missing and Exploited Children Programs: \$130 million (\$25 million above FY 2023) for these programs, including the Internet Crimes Against Children (ICAC) program.

Project Safe Neighborhoods (PSN) Block Grants: \$40 million (\$20 million more than FY 2023) for this program which aims to create safer neighborhoods through sustained reductions in gang violence and gun crime. The program is based on partnerships of federal, state and local agencies led by the U.S. Attorney in each federal judicial district.

Victims of Crime Act (VOCA) Funds: The budget proposes to distribute \$1.2 billion from the Crime Victims Fund. VOCA funds are used to provide federal support to state and local programs that assist victims of crime. This is below the FY 2023 VOCA distribution cap of \$1.9 billion and the FY 2022 cap of \$2.6 billion.

Department of Commerce

Economic Development Administration: \$804 million for Economic Development Assistance Programs (\$306 million more than FY 2023). The budget proposes \$200 million for new pilot grant program for communities experience high prime-age employment gaps.

Department of Housing and Urban Development

Community Development Block Grants (CDBG): \$3.3 billion for CDBG formula grants (same as FY 2023). The County advocates for maximum funding for this program.

HOME: \$1.8 billion for the HOME Investment Partnerships program (\$300 million above FY 2023)

Homeless Assistance Grants: \$3.749 billion for Homeless Assistance Grants (\$116 million above FY 2023)

Emergency Solutions Grants: \$290 million for the ESG program (same as FY 2023)

Housing Opportunities for People with AIDS: \$505 million for HOPWA (\$6 million above FY 2023)

Choice Neighborhoods: \$185 million (\$165 million less than FY 2023 for the Choice Neighborhood Initiative, which helps to revitalize underserved communities.

HUD-Veterans Affairs Supportive Housing: The budget includes funding to renew 80,000 HUD-VASH vouchers for veterans, but do not propose funding for new vouchers. The FY 2023 amount is \$50 million for HUD-VASH.

Public and Indian Housing: \$43.093 billion for the Office of Public and Indian Housing (\$2.75 billion more than FY 2023). Within this amount, Tenant-Based Rental Assistance is funded at \$32.7 billion, an increase of \$2.45 billion over FY 2023. In FY 2021, the Public Housing Capital Fund and Public Housing Operating Fund were consolidated into the new Public Housing Fund. The bill includes \$8.893 billion for the Public Housing Fund (\$379 million more than FY 2023). Within this amount, \$40 million is provided for public housing emergency capital needs and not less than \$20 million of this amount is to be used for safety and security measures in public housing. The County advocates for maximum funding for these programs.

Department of Transportation

FTA Formula and Bus Grants: \$13.99 billion (\$356 million more than FY 2023) for transit formula grants as authorized by the Infrastructure Investment and Jobs Act (IIJA).

FTA Transit Infrastructure Grants: The budget does not propose additional discretionary funding for transit infrastructure grants. However, there is IIJA funding available for these grants in FY 2024. The FY 2023 discretionary funding for these grants is \$541.959 million.

FTA Capital Investment Grants: \$2.85 billion in discretionary funding for the New Starts/Small Starts program (\$215 million more than FY 2023)

USDOT National Infrastructure Investments (RAISE) Grants: \$1 billion for another round of RAISE grants (formerly TIGER/BUILD grants). This is \$200 million more than FY 2023.

Highways: The budget provides \$60.8 billion federal-aid highways, roads, tunnels and bridges consistent with the IIJA. This is \$2 billion less than FY 2023.

Aviation: The budget provides \$19.8 billion for the Federal Aviation Administration (\$784.2 million more than FY 2023). This includes \$3.35 billion for Grants-In-Aid for Airports. The IIJA included \$3 billion annually for Airport Infrastructure grants and \$1 billion annually for the Airport Terminal Program from FY 2022 to FY 2026.

Department of Health and Human Services

Ryan White HIV/AIDS Programs: \$2.696 billion (\$125 million more than FY 2023) to provide HIV-related services. The County advocates for maximum funding for these programs.

Head Start: \$13.1 billion for Head Start (\$1.12 billion more than FY 2023)

Child Care: \$9 billion for Child Care and Development Block Grants (CCDBG) (\$979 billion more than FY 2023)

Preschool Development Grants: \$360 million (\$45 million more than FY 2023) to support States' efforts to expand or create high-quality pre-school systems for 4-year-olds from low- and moderate-income families.

Healthy Start: \$185 million for the Healthy Start program (\$40 million more than FY 2023)

Older Americans Act (OAA) Programs: \$1.939 for the Administration for Community Living's Health and Independence for Older Adults program (\$352 million more than FY 2023), including \$1.284 million for Senior Nutrition programs, which provides congregate meals and meals on wheels to needy seniors, \$500 million for Home and Community-based Supportive Services, and \$44 million Preventive Health Services, Chronic Disease Self-Management Education and Fall Prevention. The budget also includes \$10 million (same as FY 2023) for Voting Access for People with Disabilities. The County supports maximum funding for OAA programs.

State Opioid Response Grants: \$2 billion for these grants authorized under the 21st Century Cures Act to combat the opioid epidemic (\$425 million more than FY 2023).

Mental Health Block Grants: \$1.7 billion for the MHBG (\$645 million more than FY 2023).

Department of Labor

Job Training: \$4.42 billion (\$280 million more than FY 2023) for Training and Employment Services programs, which provide job training skills and assistance to low-skilled adults, dislocated workers, and low-income youth with barriers to employment. The bill includes \$170 million for Reentry Employment Opportunities, \$145 million for YouthBuild, \$900 million for Adult Employment and Training Activities, and \$1.5 billion for formula grants to states to provide WIOA dislocated worker services.

Veterans Employment and Training: \$348 million (\$12 million more than FY 2023) to expand employment services to transitioning service members, veterans with disabilities, and their spouses and caregivers.

Department of Homeland Security

FEMA State and Local Programs: The bill includes the following for State and Local Programs:

- State Homeland Security Grant Program: \$601.2 million (\$81.2 million above FY 2023)
- Urban Area Security Initiative (UASI): \$711.2 million (\$96.2 million above FY 2023)
- Public Transportation Security Assistance, Railroad Security Assistance and Over-the-Road Bus Security Assistance: \$100 million (\$5 million below FY 2023)

- Port Security Grants: \$100 million (same as FY 2023)
- Education, Training, and Exercises: \$316.487 million (\$360,000 above FY 2023)
- Firefighters Assistance Grants: \$370 million each for SAFER and Assistance to Firefighter Grants (AFG) (\$10 million above FY 2023)
- Emergency Management Performance Grants: \$355 million (same as FY 2023)
- Emergency Food and Shelter Program: \$130 million (same as FY 2023)
- FEMA Disaster Relief: \$20.26 billion for disaster relief to fund recent major disaster response and recovery activities (\$641 million billion above FY 2023).

Customs and Border Protection (CBP): \$16.5 billion in discretionary spending for CBP, including over \$1 billion in port and border security, but no funding for additional border barrier construction.

Immigration and Customs Enforcement (ICE): \$8.33 billion for ICE, which is \$427 million less than FY 2023, for immigration enforcement. This includes \$40 million for Counter Fentanyl and Human Smuggling efforts and \$23.9 million for Child Exploitation Investigations.

Transportation Security Administration (TSA): \$10.9 billion (\$1.6 billion more than FY 2023), including \$197.1 million for an increase in Transportation Security Officer (TSO) Staff for Projected Airline Passenger Volume. The budget also proposes to eliminate exit lane staffing to airport authorities, the law enforcement officer reimbursement program, and the canine reimbursement program.

Activities for April:

The House and Senate are out of session until April 17th. House members had to submit their appropriations requests for the House Appropriations Committee by March 31st. The Senators' deadlines to submit requests vary by subcommittee over the first two weeks of April. When they reconvene, the Appropriations Committee will begin the process of drafting the bills. However, until they figure out the overall discretionary spending levels for FY 2024, they will not be able to start marking up the bills. At this point, we expect the House to set their own number and the Senate to do the same. Later in the process that difference will have to be resolved. The House is expected to mark up bills close to the FY 2022 level and the Senate, like the President's budget, will be above the FY 2023 level so the initial versions of the bills will be very different. In addition to appropriations, hearings will continue on the Farm Bill and the FAA reauthorization. As always, we will continue to monitor and report on legislative and executive branch developments of interest to the County.