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Memorandum

From: Jane Sargent, Rick Spees and Jose Villalobos

To: Chairwoman Audrey Edmonson
Board of County Commissioners

CC: Joe Rasco

Date: March 4, 2019

Subject: February 2019 Monthly Report

Appropriations:

The long saga of Fiscal Year 2019 federal budget has been put to rest. But for those of you who love drama, we can safely predict that the Fiscal Year 2020 budget fights will make FY 2019 look like a walk in the park. Buckle your seat belts. On one side we have a newly energized Democratic House majority. On the other side we have a President going into a difficult re-election. Both sides are determined to make the other side blink and bear political heat in the coming months.

Here is the general background. The federal fiscal year starts on October 1. We are currently in Fiscal Year 2019. Thus, Fiscal Year 2020 will start in seven months. Before that date, the Congress needs to pass twelve appropriations bills that, added together, make up the federal budget. Each bill funds parts of the government. For example, there is a bill that funds the Department of Agriculture. There is a bill that funds the Department of Defense. Then there are several bills that fund a combination of agencies and departments. For example, one bill funds the Departments of Justice and Commerce and a number of scientific agencies such as NASA and the National Science Foundation. When all the bills have passed, the full budget is complete.

The President's version of the budget is released traditionally the first Monday of February. However, this year that release date was delayed since the FY 2019 budget was not complete. A summary of the FY 2020 budget is now scheduled to be released on March 11th and the detailed budget will be released the week of March 18th. For our purposes, we are waiting for the week of March 18th because most of the items we are watching for you are in the details of the agency budgets. Once the President's budget is released, the House and Senate Appropriations Committees will start to hold hearings and briefings on the agencies' requests.

The Trump Administration has already announced that its budget proposal for FY 2020 will include significant increases for defense spending along with significant reductions in non-defense spending. We will wait to see the exact numbers, but we have been told to expect that non-defense agencies will have their budgets cut by 5%. Needless to say, if the budget reflects these numbers, it will face intense and immediate opposition in Congress. The Democrats have already said the President's budget is "dead on arrival", and most Republicans agree.

However, the Congress cannot just ignore the President on the budget. There is an old law that gives the President more leverage. In 2011, Congress passed a ten-year budget bill that set in place decreasing budget caps for both defense and non-spending for a decade. For FY 2020, those caps call for significantly less funding for both defense and non-defense accounts – less than the FY 2019 budget they just passed. Congress can try to pass legislation to waive or repeal the caps, but the White House is indicating that the President will not sign such a bill into law. That would leave the caps in place. You ask – what about the President's desire to spend more for defense? The White House has said that they will ask for all the defense increases as an emergency expenditure that is not subject to the budget caps. The Defense Department has the ability to request and get funding for war operations. The White House will ask for \$174 billion for war funding and will then move most of that money into the regular defense programs.

In other words, the White House is proposing to enforce the 2011 law that lowers the caps for both defense and non-defense spending and then ask for more defense spending on an emergency basis. Again, the Democrats have said they will not agree to this. But they are in a bind. The President can veto any law to raise or repeal the caps. Then he will dare the Democrats to cut defense spending even as he is encouraging them to cut non-defense spending.

In the end, we don't think this will work. The Democrats will not agree to the non-defense cuts. They are willing to give the President the money he wants for defense, but will insist on getting increases for non-defense spending. We believe the Democrats will play hardball with defense spending and will tell the President that they will allow defense spending to be cut if necessary to get the non-defense spending they want. And in the end the President will go along. He will then try to make the political point that the Democrats are big spenders. It will become a campaign issue.

We went into all the details so you can understand that the budget process is going to be highly political and controversial this year. Also to make the point that the process will get dragged out

and there will be a complicated game of chicken involved. The odds that all twelve bills will get done in time this year are about one million to one.

While the public political fight will be over the big overall numbers, the House and Senate Appropriations Committees will be working on the FY 2020 bills. And it is in the details in those bills that we will be focusing on your behalf.

Appropriations requests for FY 2020 are due to the Miami-Dade Congressional delegation in March. We will be continuing to work with the OIA to complete and submit a number of the County's programmatic appropriations requests to the delegation for FY 2020. Members will submit their programmatic and language requests to the Appropriations Committee in late March/early April. The House and Senate Appropriations Committees will likely begin drafting the FY 2020 appropriations bills in May. Throughout the FY 2020 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.

FY2019 Consolidated Appropriations Act Highlights:

As we previously reported, Congress completed its work on the FY 2019 appropriations bills in February. The President signed the agreement into law on February 15, 2019. The bill included the seven remaining FY 2019 appropriations bills, and provided funding for several programs of interest to the County:

Department of Justice

Community Oriented Policing Services (COPS) Programs: The bill includes \$303.5 million COPS programs, including \$228.5 million for COPS Hiring Grants. While this is \$3 million higher than FY2019 for the CHP, the final bill provides several set asides totaling \$75.5 million from this amount for other programs, such as tribal law enforcement, Regional Information Sharing Activities, and Law Enforcement Mental Health and Wellness Act activities. The President's FY2019 budget proposed \$99 million for COPS Hiring Grants and also proposed merging the COPS Office into the Office of Justice Programs, which Congress rejected.

Byrne Justice Assistance Grants (JAG): The bill includes total of \$423.5 million (\$8 million more than FY2018) for the Byrne JAG program. Within this amount, there a set-asides for other programs, such as Smart Policing, Smart Prosecution and Project Safe Neighborhoods. The President's FY2019 budget proposed \$332.5 million for Byrne JAG.

State Criminal Alien Assistance Programs (SCAAP): The bill includes \$243.5 million for SCAAP (\$6.5 million less than FY2018), which provides federal payments to state and local governments for the costs of incarcerating undocumented immigrants. The President's FY2019 budget proposed to eliminate funding for the SCAAP program.

DNA Analysis Grants: The bill includes \$130 million for these grants (same as FY2018), including \$120 million (same as FY2018) for Debbie Smith DNA Backlog Grants. The President's budget proposed \$97 million for the DNA initiative.

Coverdell Forensic Science Grants: The bill includes \$30 million for these grants (same as FY2018 and \$20 million more than the President's budget).

Opioid Initiative: The bill includes \$347 million (a \$202 million increase over FY2018) for programs to reduce opioid abuse authorized under the Comprehensive Addiction and Recovery Act (CARA) of 2016. This includes \$157 million for the Comprehensive Opioid Abuse Program (COAP). The President's FY2019 budget proposed \$20 million for COAP.

Juvenile Justice and Delinquency Prevention Programs: The bill includes \$287 million (\$4.5 million more than FY2018) for juvenile justice programs. The President's FY2019 budget included \$229.5 million these programs.

Domestic Violence and Sexual Assault Grants: The bill includes \$497.5 million for Violence Against Women Act (VAWA) Prevention and Prosecution Programs. This is a \$5.5 million increase from FY2018 and \$12 million more than the President's budget request.

Victims of Trafficking Grants: The bill includes \$85 million (\$8 million more than FY2018 and \$60 million more than the President's budget) for these grants.

Bulletproof Vest grants: The bill includes \$25 million (\$2.5 million more than FY2018 and the President's FY2019 budget).

Body Worn Camera Partnership Program: The bill includes \$22.5 million (same as FY2018 and the President's FY2019 budget) for the Body Worn Camera Partnership Program.

Missing and Exploited Children Programs: The bill includes \$82 million (\$6 million more than FY2018) for these programs, including the Internet Crimes Against Children (ICAC) program. The President's budget proposed \$72 million for these programs.

Project Safe Neighborhoods (PSN) Block Grants: The President's budget proposed \$70 million for this new program, which will build on and expand the work of DOJ's PSN Initiative 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. The President proposed this new program in his FY2018 budget, and the FY2018 omnibus included \$20 million for it. The final FY2019 CJS bill also includes \$20 million for the PSN grant program.

Department of Commerce

Economic Development Administration: The bill provides \$265 million for Economic Development Assistance Programs (\$2.5 million more than FY2018). This includes \$117.5 million for Public Works, \$33 million for Partnership Planning, \$9.5 for Technical Assistance, and \$35 million for Economic Adjustment Assistance. The President's FY2019 budget proposed to eliminate funding for the EDA, requesting \$14.9 million to conduct an orderly closeout of the EDA beginning in 2019.

Department of Homeland Security

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

- State Homeland Security Grant Program: The bill includes \$525 million (\$18 million more than FY2018 and \$175 million above the President's FY2019 budget request) for SHSGP. Of this amount, \$90 million is provided for Operation Stonegarden.
- Urban Area Security Initiative (UASI): The bill provides \$640 million (\$10 million more than FY2018 and \$191 million more than the President's budget request) for UASI. Of this amount, \$50 million is provided for non-profit organizations at high risk of a terrorist attack.
- Public Transportation Security Assistance, Railroad Security Assistance and Over-the-Road Bus Security Assistance: The bill provides \$100 million (same as FY2018, but \$63.6 million above the President's budget request) for these grants. Of this amount, \$10 million is provided for Amtrak Security and \$4 million for Over-the-Road Bus Security.
- Port Security Grants: The bill provides \$100 million (same as FY2018, but \$63.6 million above the President's budget request) for port security grants.
- Education, Training, and Exercises: The bill provides \$276.7 million (\$2.4 million above FY2018 and \$132 million more than the President's budget request).
- Firefighters Assistance Grants: The bill provides \$350 million for SAFER and \$350 million for Assistance to Firefighter Grants (AFG). This is the same amount as FY2018, but \$5.6 million than the President's budget request for each grant program.
- Emergency Management Performance Grants: The bill provides \$350 million for EMPG (same as FY2018, but \$70.7 million above the President's budget request).
- Predisaster Mitigation: The bill provides \$250 million for Predisaster Mitigation (same as FY2018 and \$211 million above the President's budget request).
- Emergency Food and Shelter Program: The bill provides \$120 million (same as FY2018) for this program. The President's budget eliminated funding for this program.
- FEMA Disaster Relief: The bill provides \$12 billion for disaster relief to fund recent major disaster response and recovery activities.

Urban Area Security Initiative [UASI] Risk Assessment: The conference report includes language requiring FEMA to prioritize UASI funding toward urban areas that are subject to the greatest terrorism risk, and to allocate resources in proportion to that risk. FEMA is also directed

to limit UASI funding to urban areas representing up to 85 percent of the national urban area risk.

Customs and Border Protection (CBP): The bill provides \$14.9 billion, \$934 million above FY2018 and \$734 million above the President's budget request. The bill provides \$1.375 billion, \$4.325 billion less than the President's request, for approximately 55 miles of physical barrier along the southern border in the Rio Grande Valley of Texas. It also includes \$100 million for new border security technology. It also includes \$59 million for 600 new CBP officers and encourages CBP to use fee funding to hire up to 600 additional CBP officers for a total of 1200 new officers.

Immigration and Customs Enforcement (ICE): The bill provides \$7.6 billion for ICE, which is \$512 million above FY2018 and \$704 million below the President's budget request, for immigration enforcement. The bill includes significant investments to combat drug and human trafficking and other transnational criminal activity, including \$44 million for new personnel to investigate opioid trafficking, including on the “dark web.”

Transportation Security Administration (TSA): The bill includes \$8 billion for TSA, which \$204 million more than FY2018 and \$364 million above the President’s budget request. This includes funding for 1,144 new TSA personnel to staff checkpoints and mitigate wait times, and \$11 million for 50 additional canine teams to further enhance security and expedite processing times. It also includes additional funding for the purchase and installation of approximately 240 new carry-on baggage screening systems to improve detection capabilities at airport checkpoints and \$40 million for airport explosive detection system reimbursement.

Department of Housing and Urban Development

Community Development Block Grants (CDBG): The bill includes \$3.3 billion for CDBG formula grants, which is the same as FY2018. The President’s FY2019 budget proposes to eliminate funding for CDBG.

HOME: The bill includes \$1.25 billion for the HOME Investment Partnerships program, which is \$112 million less than FY2018. The President’s FY2019 budget proposes to eliminate funding for the HOME program.

Homeless Assistance Grants: The bill provided \$2.636 billion for Homeless Assistance Grants, a \$123 million increase from FY2018 and \$253 million above the President’s FY2019 budget request.

Emergency Solutions Grants: The bill includes \$280 million for the ESG program, which is the \$10 million above FY2018 and \$25 million above the President's FY2019 budget request.

Housing Opportunities for People with AIDS: The bill includes \$393 million for HOPWA, which is \$18 million above FY2018 and \$63 million above the President's FY2019 budget request.

Choice Neighborhoods: The bill provides \$150 million (same as FY2018) for the Choice Neighborhood Initiative, which helps to revitalize underserved communities. The President's budget proposed to eliminate funding for this program.

HUD-Veterans Affairs Supportive Housing: The bill includes \$40 million for HUD-VASH, which is the same as FY2018. The President's FY2019 budget proposed to eliminate funding for the HUD-VASH program.

Public and Indian Housing: The bill includes \$31 billion, an increase of \$716.6 million above the FY2018 enacted level and \$6.4 billion above the President's budget request. Within this amount, Tenant-Based Rental Assistance is funded at \$20.3 billion, adequate to renew all existing vouchers. The Public Housing Capital Fund is funded at \$2.8 billion and the Choice Neighborhoods Initiative is funded at \$150 million, both of these programs are intended to revitalize the nation's public housing stock. The bill also provides \$25 million for a mobility voucher demonstration program for Public Housing Authorities.

Department of Transportation

FTA Formula and Bus Grants: The bill provides the full FAST authorized amount of \$9.9 billion for formula grants. This is the same as the President's FY2019 budget request and \$206 million more than FY2018. These programs include: urbanized area formula grants, state of good repair grants, formula grants for rural areas, growing states and high density states, mobility for seniors and persons with disabilities, bus and bus facilities grants, bus testing facilities, planning programs, transit oriented development, a pilot program for enhanced mobility, public transportation innovation, technical assistance and workforce development, and the National Transit Database.

Transit Infrastructure Grants: The bill provides an additional \$700 million in transit infrastructure grants. This is \$134 million less than FY2018, but the President's FY2019 budget did not include funding for transit infrastructure grants. Of the total amount, the bill provides:

- \$350 million for bus and bus facilities grants (§5339), which includes:
 - \$160 million for formula grants;
 - \$160 million for competitive grants;
 - \$30 million for low or no emission grants.
- \$263 million for state of good repair grants (§5337);
- \$40 million for formula grants for rural areas (§5311)
- \$30 million for high density state apportionments (§5340(d)); and,
- \$7 million for bus testing facilities authorized under §5318 and §5312(h).

Capital Investment Grants: The bill provides \$2.55 billion for the New Starts/Small Starts program. This is a \$31.3 million below FY2018, but \$1.6 billion above the President's FY2019 budget request. It fully funds all current Full Funding Grant Agreements and provides funding for new projects.

BUILD/TIGER Grants: \$900 million for another round of BUILD (formerly known as TIGER grants). This is \$600 million less than FY2018, but the President's FY2019 budget proposed no funding for these grants. The funding will be allocated to 50 percent urban areas and 50 percent rural areas.

Highways: The bill provides \$49.3 billion, an increase of \$1.8 billion above the FY2018 enacted level and \$3.5 billion above the President's budget request for roads, tunnels and bridges.

Aviation: The bill provides \$17.5 billion for the Federal Aviation Administration, which is \$549 million below FY2018, but \$1.3 billion above the President's budget request. This includes \$3.35 billion for airport grants and \$500 million in airport discretionary grants.

Gun Control Legislation:

The new House Democratic majority has made gun control a priority for this Congress. As part of those efforts, it took up two bills in late February related to firearms background checks.

On February 27, the House passed the Bipartisan Background Checks Act of 2019 (H.R. 8). The bill would require a background check on all firearms sales. Currently, only licensed firearms dealers must seek a background check, which left a loophole for other types of firearms sales at gun shows, online or in other private settings. H.R. 8 would expand required background checks to all firearm sales, aiming to close the loophole. The bill does provide for some exceptions such as transfers for hunting, law enforcement or gifts to family. The House passed the bill by a vote of 240-190. Representatives Wasserman Schultz, Wilson, Shalala, Diaz-Balart, and Mucarsel-Powell all voted in favor of the bill. The bill will now be referred to the Senate. The Trump Administration has already issued a veto warning against the bill.

On February 28, the House passed another bill, the Enhanced Background Checks Act of 2019 (H.R. 1112), which would extend the time firearms dealers must wait for a response from the background check system before making a sale. The bill requires a licensed gun dealer to wait up to 20 business days, rather than just three, to hear from the FBI regarding an individual's background check before being allowed to complete the sale and transfer the firearm if no determination has been made through the National Instant Criminal Background Check System (NICS) system. An individual could petition the Justice Department for the weapon after 10 days. The measure also expands the categories of individuals who are prohibited from obtaining a firearm by broadening the ban for those with mental issues. The bill passed by a vote of 228-198. Representatives Wasserman Schultz, Wilson, Shalala and Mucarsel-Powell voted for the bill, while Representative Diaz-Balart voted against it. The bill will be forwarded to the Senate,

where it will likely face strong opposition and another veto warning from the Trump Administration.

Infrastructure Bill:

There is a tremendous interest in passing an infrastructure bill this year. Both parties strongly desire one and everyone acknowledges the need for one. Already both the House and Senate committees of jurisdiction have held hearings on the issue.

The spending number that is being discussed is \$1 trillion over a number of years. The bill would fund road, rail, transit, port and airport projects. Some advocates also want to spend money on schools. Others want to include electric grid improvements and even internet capabilities.

The problem, of course, is how to pay for the program. The Democrats are willing to raise taxes to pay for it. They want to increase the gas tax as well as other taxes. The Republicans in Congress oppose raising taxes. In 2017, the Administration proposed transferring other appropriated monies to fund the program. They also proposed using that money to support bond payments which would allow a significant initial infusion of infrastructure investments. But both Congressional parties opposed the transfers.

We are not sure if Congress will find a way to pay for the program -- one that the President will also approve. As discussed above, the President's budget for FY 2020 wants to cut spending for non-defense programs. Having said that, if a new funding mechanism could be found we think Congress would quickly pass a bill. In that unlikely case, it is important to be involved in the process and to develop a list of projects that could be funded by the bill. We are not suggesting that there will be a return to earmarks, but there may be a way to see that the programs of interest can be funded.

Activities for March:

Now that Congress has completed the FY2019 appropriations process, they can begin working on the FY2020 process. The President will release his FY2020 budget blueprint March 11th. The rest of the budget details will be released on March 18th. Congress will be holding hearings on the President's budget requests. We will be working with the County to submit its FY2020 appropriations requests to the Congressional delegation. Both the House and Senate will be out of session the week of March 18th. We will continue to monitor and report on Presidential actions and any other legislative developments of interest to the County.