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## Memorandum

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From: Jane Sargent, Rick Spees and Jose Villalobos

To: Chairwoman Audrey Edmonson  
Board of County Commissioners

CC: Joe Rasco

Date: June 5, 2019

Subject: May 2019 Monthly Report

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### **Appropriations:**

The House continues to make good progress on the Fiscal Year 2020 appropriations bills. The House Appropriations Committee has marked up 10 of the 12 annual appropriations bills. We have provided highlights of a number of those bills below. The final two bills – Homeland Security and Financial Services – will be marked up in Subcommittee this week.

Next week, the House leadership is considering taking up five of the bills on the House floor in one combined bill. The package would bundle the FY2020 Defense, Labor-HHS-Education, Energy and Water, State-Foreign Operations, and Legislative Branch bills. The House Democratic leadership is aiming to consider all 12 bills on the House floor by the end of June in hopes of completing the FY2020 bills and avoiding another shutdown this fall.

In the meantime, the Senate is much further behind in the process. The Senate Appropriations Committee Chairman was hoping that an overall agreement on the discretionary defense and nondefense spending caps would be reached before his committee started marking up its bills. However, an agreement between the House, Senate and White House on the spending caps is likely months away.

Without an agreement in place, the Senate Appropriations Committee will need to set its spending caps before it can start marking up its bills. At this point, we do not expect the Committee to use the sequester-level caps set by law, which would require deep cuts to both defense and nondefense spending. We also do not expect them to use the high spending caps set by the House. The more likely scenario is that they will set the caps at the FY2019 level or slightly above to account for inflation. However, until the caps are set, the subcommittees cannot begin marking up their bills. We have been told by Committee staff that they are expecting to start marking up this month, but no markups have been scheduled on any of the bills.

Ultimately, the Congress and the White House will have to reach an agreement on the spending caps before they can finish the FY2020 bills. We expect the final number to be above the White House's low number and the House's high number, but also above the FY2019 levels. As you can see below, the House has provided significant increases to many federal programs. While we expect there to be some increases in the final bills, they will not be as high as the current House numbers.

### **House FY2020 Commerce-Justice-Science Appropriations Bill:**

The House Appropriations Committee marked up the Commerce-Justice-Science bill on May 22. Highlights of the bill include:

#### **Department of Justice**

Community Oriented Policing Services (COPS) Programs: The House bill includes \$323 million, which is \$19 million above FY2019. This includes \$239.74 million for COPS Hiring Grants (an increase of \$11.25 million). The President's FY2020 budget proposes \$99 million for COPS Hiring Grants and also proposes merging the COPS Office into the Office of Justice Programs. Congress rejected a similar proposal last year.

Byrne Justice Assistance Grants (JAG): The House bill includes total of \$530.25 million (\$106.75 million above FY2019) for the Byrne JAG program. Within this amount, there are set-asides for other programs, such as Smart Policing, Smart Prosecution and Community Based Violence Prevention. The President's FY2020 budget proposes \$405.2 million for Byrne JAG.

State Criminal Alien Assistance Programs (SCAAP): The House bill includes \$260 million for SCAAP (\$16.5 million above FY2019), which provides federal payments to state and local governments for the costs of incarcerating undocumented immigrants. The President's FY2020 budget proposes to eliminate funding for the SCAAP program.

DNA Analysis Grants: The House bill includes \$142 million for these grants (\$12 million above FY2019), including \$100 million for Debbie Smith DNA Backlog Grants and \$30 million for

State and Local Forensic Activities. The President's budget proposes \$105 million for the DNA initiative.

Coverdell Forensic Science Grants: The House bill includes \$30 million for these grants (same as FY2019 and \$20 million more than the President's budget).

Opioid Initiative: The House bill includes \$375 million (\$28 million above FY2019) for programs to reduce opioid abuse authorized under the Comprehensive Addiction and Recovery Act (CARA) of 2016. This includes \$159 million for the Comprehensive Opioid Abuse Program (COAP). The President's FY2020 budget proposed \$330 million for opioid Initiatives, including \$145 million for COAP.

Juvenile Justice and Delinquency Prevention Programs: The bill includes \$341.5 million (\$54.5 million more than FY2019) for juvenile justice programs. The President's FY2020 budget included \$238.5 million these programs.

Domestic Violence and Sexual Assault Grants: The bill includes \$582.5 million for Violence Against Women Act (VAWA) Prevention and Prosecution Programs. This is \$85 million above FY2019 and \$90 million above the President's budget request.

Victims of Trafficking Grants: The bill includes \$100 million (\$15 million more than FY2019 and \$23 million more than the President's budget) for these grants.

Bulletproof Vest grants: The bill includes \$25 million (the same at FY2019, but \$2.5 million more than the President's FY2020 budget).

Body Worn Camera Partnership Program: The bill includes \$25 million (\$2.5 million more than FY2019 and the President's FY2020 budget) for the Body Worn Camera Partnership Program.

Missing and Exploited Children Programs: The bill includes \$85 million (\$3 million more than FY2019) for these programs, including the Internet Crimes Against Children (ICAC) program. The President's budget proposes \$81 million for these programs.

Project Safe Neighborhoods (PSN) Block Grants: The House bill does not provide funding for the PSN program. An amendment to add funding for the program was rejected during the full House Appropriations Committee markup. The President's budget proposes \$80 million for this 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 FY2019 omnibus also included \$20 million for the program.

### **Department of Commerce**

Economic Development Administration: The bill provides \$498.35 million for Economic Development Assistance Programs (\$233.35 million more than FY2019). This includes \$250 million for Public Works, \$35 million for Partnership Planning, \$12.75 for Technical Assistance, and \$97 million for Economic Adjustment Assistance. The President's FY2020 budget proposes to eliminate funding for the EDA, requesting \$30 million to conduct an orderly closeout of the EDA beginning in 2020.

Census: The bill includes \$8.45 billion for the Census Bureau, which is preparing to conduct the decennial census in 2020. This is \$4.6 billion above FY2019 and \$2.3 billion above the President's budget request. The House bill also includes a provision prohibiting the Census Bureau from asking a citizenship question that has been objected to by state and local governments over concerns that it will lead to an undercount. A Republican amendment was rejected during the full Committee markup that would have deleted the provision from the bill.

### **House FY2020 Labor-HHS-Education Appropriations Bill:**

The House Appropriations Committee marked up the Labor-HHS-Education bill on May 8. Highlights of the bill include:

### **Department of Health and Human Services**

Ryan White HIV/AIDS Programs: The House bill includes \$2.4 billion (\$116 million above FY2019 and \$46 million more than the President's FY2020 budget request) to provide HIV-related services.

Head Start: The House bill includes \$11.56 billion for Head Start, which is \$1.5 million more than FY2019 and the President's budget request.

Child Care: The House bill includes \$7.97 billion for Child Care and Development Block Grants (CCDBG) (\$2.4 billion above FY2019 and the President's budget request).

Preschool Development Grants: The House provides \$350 million, which is \$100 million more than FY2019, to support States' efforts to expand or create high-quality pre-school systems for 4-year-olds from low- and moderate-income families. The President's budget proposes to eliminate funding for these grants.

Healthy Start: The House bill includes \$130.5 million for the Healthy Start program (\$8 million more than FY2019 and the President's budget request).

Senior Nutrition Programs: The House bill includes \$1 billion, which is \$154 million more than FY2019 and \$187 million above the President's budget request, for senior nutrition programs, which provides congregate meals and meals on wheels to needy seniors.

State Opioid Response Grants: The House bill includes \$1.5 billion for these grants (the same as FY2019 and the President's budget request) as authorized under the 21<sup>st</sup> Century Cures Act to combat the opioid epidemic.

### **Department of Labor**

Job Training: The House bill includes \$3.98 billion (\$474.9 million above FY2019 and \$730.2 million more than the President's budget request) for job training programs, including \$964 million for youth employment and training activities and \$100 million for ex-offender retraining and reintegration activities.

Veterans Employment and Training: The House bill includes \$316.3 million (\$16.3 million above FY2019 and \$10.3 million more than the President's budget request) to expand employment services to transitioning service members, veterans with disabilities, and their spouses and caregivers.

### **House FY2020 Transportation-HUD Appropriations Bill:**

The House Appropriations Committee marked up the Transportation-HUD bill on June 4. Highlights of the bill include:

### **Department of Housing and Urban Development**

Community Development Block Grants (CDBG): The bill includes \$3.6 billion for CDBG formula grants, which is \$300 million more than FY2019. The President's FY2020 budget proposes to eliminate funding for CDBG.

HOME: The bill includes \$1.75 billion for the HOME Investment Partnerships program, which is \$500 million more than FY2019. The President's FY2020 budget proposes to eliminate funding for the HOME program.

Homeless Assistance Grants: The bill provided \$2.8 billion for Homeless Assistance Grants, a \$164 million increase from FY2019 and \$201.4 million above the President's FY2020 budget request.

Emergency Solutions Grants: The bill includes \$290 million for the ESG program, which is the \$10 million above FY2019 and \$20 million above the President's FY2020 budget request.

Housing Opportunities for People with AIDS: The bill includes \$410 million for HOPWA, which is \$17 million above FY2019 and \$80 million above the President's FY2020 budget request.

Choice Neighborhoods: The bill provides \$300 million, which is \$150 million above FY2019, 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 FY2019. The President's FY2020 budget proposed to eliminate funding for the HUD-VASH program.

Public and Indian Housing: The bill includes \$32.7 billion, an increase of \$1.7 billion above the FY2019 enacted level and \$6.9 billion above the President's budget request. Within this amount, Tenant-Based Rental Assistance is funded at \$23.8 billion, an increase of \$1.2 billion over FY2019. The Public Housing Capital Fund is funded at \$2.9 billion, which is \$80 million above FY2019. The President budget proposed eliminating this program which provides funding for public housing capital programs, including public housing development and modernization.

### **Department of Transportation**

FTA Formula and Bus Grants: The House bill provides \$10.15 billion for transit formula grants. This is equal to the President's budget request, but above the FY2019 level of \$9.9 billion. Transit formula transit 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 House bill provides an additional \$750 million in transit infrastructure grants. This is \$50 million above FY2019 and \$250 million above the President's budget request. Of the total amount, the bill provides:

- \$389 million for competitive bus and bus facilities grants (§5339);
- \$94 million for low or no emission grants.
- \$250 million for state of good repair grants (§5337);
- \$7 million for bus testing facilities authorized under §5318 and §5312(h)
- \$10 million for competitive grants to eligible entities to assist areas of persistent poverty.

Capital Investment Grants: The bill provides \$2.3 billion (\$251 million below FY2019, but \$797 million above the President's budget request) for the New Starts/Small Starts program.

**BUILD/TIGER Grants:** \$1 billion for another round of BUILD (formerly known as TIGER grants). This is \$100 million above the FY2019 level and equal to the President's budget request. The Committee report also includes language admonishing the Department of Transportation for awarding too many awards for road projects and not a wide variety of transportation projects as originally intended by the program.

**Highways:** The bill provides \$48.9 billion, \$404 million below FY2019 but \$1.7 billion above the President's FY2020 budget request for roads, tunnels and bridges.

**Aviation:** The bill provides \$17.7 billion for the Federal Aviation Administration, which is \$267 million below FY2019 and \$614 million above the President's budget request. This includes \$3.35 billion for airport grants and \$500 million in airport discretionary grants.

**United States-Mexico-Canada Agreement (USMCA):**

There has been some movement on the issue of the USMCA recently. As we have previously reported, the U.S., Canada and Mexico completed their negotiations on a revised NAFTA agreement last October. The new deal, the United States-Mexico-Canada Agreement (USMCA), was signed by the three countries on November 30, 2018. In order for the new agreement to take effect each country must ratify it.

In the U.S., Congress must approve implementing legislation for the agreement. The Administration intends to submit the USMCA under Trade Promotion Authority (TPA) or "fast track" authority, which allows trade agreements to move through Congress under special expedited procedures and pass by a simple majority in both chambers.

On May 30, the Trump Administration gave Congress a 30-day notice of its intent to send the implementing legislation to Capitol Hill for consideration. This notice, known as the draft statement of administration action, is required under TPA and puts Congress on notice that the Administration intends to send the implementing bill to the Hill for consideration.

The House Democratic leadership continues to have serious concerns with the trade agreement over a number of issues, including enforcement of labor and environmental protections and prescription drug costs, and have urged the Administration to make changes to the USMCA before sending it up for approval. While there will be Republican support for the bill, it will not be able to get through the House without broad Democratic support.

In the meantime, the Trump Administration has urged Canada and Mexico to start the process to ratify the agreement as well. Prime Minister Justin Trudeau introduced implementing legislation on May 29 in the Canadian House of Commons. Mexican President Andrés Manuel López Obrador sent implementing legislation to the Mexican Senate on May 30. However, President Trump's recent announcement that the U.S. may impose new tariffs on imports from Mexico,

unless the Mexican government takes further action to address the influx of migrants coming through Mexico to the U.S., may impact progress on the USMCA.

### **National Flood Insurance Program:**

Over the past year, Congress has continued to extend the existing law while they work on a reauthorization of the program. The latest extension expired at the end of May.

In March, the House Financial Services Committee, which has jurisdiction of the NFIP, held a hearing on the reauthorization of the program. Witness included a variety of stakeholders, including emergency planners, insurers, realtors and environmentalists. Following the hearing, House Financial Services Chairwoman Maxine Waters released four draft bills for public comment that would reauthorize the NFIP for five years and make other reforms to the programs.

Local governments have been concerned about the affordability of flood insurance, solvency of the overall program, and improvements to FEMA's mapping process, including local government input into flood maps. Congress is continuing to work on the NFIP reauthorization bills. They were unable to reach an agreement on legislation before the current extension expired in May. This week Congress passed another temporary extension of the NFIP, until September 30, 2019, as part of the FY2019 Supplemental Disaster Appropriations Act.

### **Infrastructure:**

In late April, President Trump met with the Congressional Democratic leaders to discuss a possible infrastructure package. Democratic leaders would like to see a \$2 trillion comprehensive infrastructure bill, but there was no agreement on that size of a package and also no discussion on how it would be paid for during the meeting. Negotiators agreed to meet again to meet again to discuss possible ways to pay for the bill.

On May 22, House and Senate Democratic leaders had a follow up meeting with President Trump to discuss an infrastructure bill. They had hoped to make some progress with the White House on a package. However, the meeting was very brief. The President, who was unhappy with Speaker Pelosi over other issues unrelated to the discussion, left the meeting before any substantive discussion of infrastructure occurred. No other meetings to discuss infrastructure have been scheduled to date.

Infrastructure is one area where Congressional Democrats and the White House may be able to find bipartisan agreement. While discussions for the moment have stalled, we expect there to be ongoing efforts to find a bipartisan agreement on infrastructure. As always, the most difficult issue is finding the revenue to pay for a comprehensive infrastructure package. The existing surface transportation law, the FAST Act, expires on September 30, 2020. They will have to reach a deal by then or agree extend the current law.



**Activities for June:**

Congress reconvened this week after the weeklong Memorial Day recess. The House is moving ahead with the FY2020 appropriations process and plan to take up all 12 bills on the House floor in June. We also expect the Senate Appropriations Committee to begin marking up the FY2020 bills this month. Congress will also continue working on other authorization legislation, such as the annual national defense authorization act (NDAA) and nominations. Congress will recess again on June 28 for the July 4<sup>th</sup> break. We will continue to monitor and report on Presidential actions and any other legislative developments of interest to the County.