



TO: Legislative Committee
FROM: Brent R. Heberlee
DATE: April 4, 2018
RE: Federal Legislative Update

This memo provides a Federal Legislative Update on the items appearing on the agenda for the April 9, 2018, Legislative Committee meeting.

A. FY2018 Omnibus Appropriations Act

Nearly six months into the current fiscal year, Congressional leaders and President Trump reached an agreement on an omnibus appropriations package to fund the federal government through the remainder of FY2018. The \$1.3 trillion spending package signed into law on March 23rd contains a combination of \$692 billion in defense funding and \$591 billion in non-defense funding, and includes significant increases in funding for many programs that benefit the County and its residents. Congressman Jimmy Panetta and Senators Dianne Feinstein and Kamala Harris voted against the bill.

Funding levels and policy provisions for many of the County's legislative priorities are as follows:

Agriculture and Rural Affairs

- Provides \$600 million for a new rural broadband pilot program targeted to areas currently lacking access to broadband service.
- Supports \$1.2 billion in direct loans and nearly \$400 million in grants for the Rural Water and Waste Disposal Program.

Community, Economic and Workforce Development

- Provides \$3.3 billion for the Community Development Block Grant, a \$300 million increase over FY2017.
- Provides HUD's HOME Investment Partnerships program (for affordable housing) with \$1.36 billion, an increase of \$412 million over FY2017.
- Provides \$2.8 billion for Workforce Investment and Opportunity Act (WIOA) Title I programs, an \$80 million increase over FY2017.

Health and Human Services

- The Substance Abuse and Mental Health Services Administration's (SAMHSA) Community Mental Health Services Block Grant, which funds counties' mental health services, receives an increase of \$160 million over FY2017, for a total of \$701 million.
- SAMHSA's Substance Abuse Prevention and Treatment Block Grants receive level funding at \$1.9 billion.
- The Social Services Block Grant receives \$1.7 billion, which is level with FY2017 funding.
- Head Start receives \$9.9 billion, a \$610 billion increase.
- The Community Services Block Grant is funded at \$742 million, level with FY2017
- Provides \$74 billion in mandatory funding for the Supplemental Nutrition Assistance Program (SNAP), which is \$4.5 billion below FY2017.
- Provides \$6.17 billion for the Women, Infants and Children (WIC) Nutrition program, which is \$175 million below FY2017

Justice and Public Safety

- Includes policy language extending the "Rohrabacher-Farr Amendment" that prohibits the DOJ from spending funds to interfere with the implementation of state medical cannabis laws.
- Provides \$240 million for the State Criminal Alien Assistance Program (SCAAP), a \$30 million increase over FY2017.
- Provides \$415.5 million for Byrne Memorial Justice Assistance Grants (JAG), an increase of \$12.5 million over FY2017. DOJ continues to withhold FY2017 Byrne JAG funds, and presumably will also withhold FY2018 funds, pending the outcome of sanctuary city litigation.
- Provides \$282 million for the Juvenile Justice Delinquency Prevention Act, representing a \$35 million increase over FY2017.
- Includes policy language directing DOJ to ensure that all applicants for Byrne JAG, SCAAP, and COPS grants are in compliance with all applicable federal laws.
- Includes policy language directing DOJ to accelerate its recruitment of additional immigration judges.
- Includes policy language directing FEMA to provide Congress with recommendations for modifying the disaster declaration process to better focus federal assistance on events during which state and local capabilities are "truly overwhelmed."
- Provides \$1.6 billion for enhanced border security along the U.S.-Mexico border.

Public Lands

- The Payments in Lieu of Taxes (PILT) program is fully funded at \$530 million, \$65 million above FY2017.
- U.S. Forest Service funding for wildland fire suppression and preparedness is increased by \$550 million to \$2.8 billion.

Transportation and Infrastructure

- Makes \$1.5 billion available for TIGER grants through the end of FY2020, tripling the current budget.
- Provides \$2.64 billion for the Capital Investment Grants program, a slight increase over FY2017, for projects like commuter rail, bus lanes and streetcars.

B. FY2019 Transportation Funding

President Trump's FY2019 budget request proposes to reduce or eliminate several federal transportation programs that are legislative priorities for the County. As the House and Senate Appropriations Committees begin to develop their respective transportation spending bills, the attached draft letter urges the County's congressional delegation to support the County's priorities in the FY2019 appropriations process.

C. Letter to FEMA on Disaster Assistance

A draft letter to FEMA from the County's congressional delegation was provided to staff in the offices of Rep. Panetta and Senator Harris several weeks ago as a follow up to our meetings with those offices in early March. The letter urges FEMA to expedite its review of project submissions and the obligation of reimbursement funds owed to the County. The two-week congressional recess has caused some delay, but staff is currently reviewing the draft letter and intends to loop in Senator Feinstein's office shortly.

D. EPA Proposed Rule to Revise Automobile Emission Standards

EPA Administrator Scott Pruitt recently announced his intention to revise fuel efficiency standards for cars and light trucks that were a key part of the Obama Administration's plan to address climate change. He also said that EPA is considering whether to revoke the waiver that allows California to set its own, tougher emission rules, which caused California Attorney General Xavier Becerra to threaten to sue EPA. The potential legal action has broader implications for automobile manufacturers because California's rules are followed by 12 other states that collectively account for about a third of U.S. auto sales.

California has its own car and truck efficiency standards aligned with the Obama-era targets, made through an agreement reached in 2011 with the support of nearly all major automakers. Current standards aim to slash carbon dioxide emissions from cars and light trucks by boosting fuel economy to a fleet average of more than 50 miles per gallon by 2025. That standard is equivalent to roughly 36 mpg in real-world driving.

EPA and the National Highway Traffic Safety Administration will initiate a notice and comment rulemaking in the near future to consider new standards.

E. Municipal Bond Provision in Senate Banking Bill

On March 14th, the Senate passed S. 2155, the Economic Growth, Regulatory Relief, and Consumer Protection Act, which includes a provision that would reclassify municipal debt as a High-Quality Liquid Asset (HQLA). This change would make municipal debt more attractive to investors and banks, keeping the demand for municipal bonds high and interest costs of issuance low for counties and other municipal issuers. Classifying investment grade municipal securities as HQLA will help ensure low-cost infrastructure financing remains available for a variety of local infrastructure projects.

The House passed similar municipal debt legislation as a standalone bill in 2016, and the County sent letters in support of the legislation to Senators Feinstein and Boxer.

F. 2020 Census Question on Citizenship

On March 26th, following a request from DOJ, the U.S. Department of Commerce announced that a question on citizenship status will be added to the 2020 decennial census questionnaire. Commerce Secretary Wilbur Ross issued a memo in support of his decision that claims having citizenship data at the census block level will permit more effective enforcement of the Voting Rights Act.

California AG Becerra immediately filed a lawsuit challenging the decision, and seventeen other states, the District of Columbia and six cities filed a similar lawsuit several days later. Opponents of the policy in Congress are likely to attempt to add a provision to the FY2019 spending bill to block the Census Bureau from questioning respondents on their citizenship status.

Attachments:

- Federal Bill/Issues Track
- Draft letter on FY2019 transportation funding