Notes from NARC-NLC-NACo Appropriations Call
August 9, 2017 from 3:00-3:45pm

Deborah Cox:

- The Senate adjourned last week, so now both chambers are home for the August recess. The House and the Senate will return September 5th.
- Government spending and decisions related to government debt will be major issues Congress will address once they come back to Washington.
- The three major pieces that will frame the conversation around appropriations:
  - Budget Resolution: It sets out the congressional budget and establishes how much each chamber can spend
  - Tax Reform: The House is looking to include tax reform in the budget resolution
  - Raising the debt ceiling: This must be done to avoid a default on the government’s obligation to pay its bills as they come due
- The Trump Administration has asked for a clean debt ceiling cut as soon as possible.
- Congress must come together to agree on funding for FY 2018 before October 1st to avoid a government shutdown.
- Neither chamber has come to an agreement on a budget resolution yet that sets the blueprint on what the spending level should be.
- The House wants to include in the FY 2018 budget resolution reconciliation instructions that pave the way for comprehensive tax reform.
- The challenge Congress is facing right now with writing appropriations bills is that they’re doing it blindly. Without budget resolutions in place, they cannot know how much money the federal government can spend.
- House Speaker Paul Ryan and House Ways and Means Committee Chair Kevin Brady are currently writing up tax reform. All eyes are on them to see what changes we will see to the U.S. tax code.
- The White House is trying to take an aggressive stance on tax reform, especially following the stalling of the healthcare bill in the Senate.
- What ranks in the top ten taxes facing elimination: state and local tax (SALT) reductions and the tax-exempt status of municipal bonds.
  - These taxes help fund important projects for our communities
  - These have been in the U.S. tax code since 1913
  - They are often up for elimination
  - Our local communities must advocate against eliminating them from the federal tax code

Mike Wallace

- When spending bills are bipartisan, cities benefit.
- Budget sequestration sets a hard cap for the amount of government spending in defense and non-defense spending allowed:
  - If Congress passes appropriations legislation that breaks one of these caps, an across-the-board spending cut is automatically imposed on these categories to cut all department and programs’ appropriations by an equal percentage
  - A bipartisan bill is needed to raise the caps
- The Freedom Caucus will not support a clean debt increase.
- Republicans will have to rely on Democrats to pass an increase on the debt ceiling.
- We will probably see continuing resolutions passed to fund government at current levels and to push budget negotiations to November or December.
- House will want to pass large increases for defense spending.
- The Weatherization Assistance Program was proposed to be eliminated by the president, but the House and the Senate bills are funding it at FY 2017 levels ($211.6 million).
- The president recommended to cut the Brownfields Program spending by $11 million, but the House increased this program’s funding by $10 million (FY 2017: $80 million; FY 2018: $90 million).
- The Community Development Block Grant (CDBG) and the HOME Investment Partnership Program (HOME) were both proposed to be eliminated by the president. FY 2017 levels for CDBG were $3 billion and for HOME was $950 million. The FY 2018 House bill would decrease both CDBG and HOME funding by $100 million. The Senate would keep FY 2018 funding these projects level with FY 2017 funding.
• The brightest spot in the House HUD budget is a small increase for Homeless Assistance Grants. Funding for housing rental assistance would also grow by a slight amount, but not at the same rate as inflation which, along with other factors, could result in an overall loss of more than 100,000 housing vouchers next year.
• If the budget for housing continues to absorb the HUD budget, less money will be allocated to CDBG and HOME.
• Overall, homeland security programs have all seen increases in funding for FY 2018.
• Policy about sanctuary cities could potentially be a policy rider in the Homeland Security bill.
• Advocacy cannot come from larger cities alone – smaller cities and counties must take part to make sure our message gets to as many representatives as it can.

Erich Zimmermann

• In FY 2017, there was $18.5 billion in discretionary USDOT funding and $57.7 billion in THUD funding.
• There were significant cuts made to transportation in the president’s proposal and in the House bill:
  o President’s proposal: $16.3 billion for USDOT discretionary funds and $47.4 billion for THUD funding overall
  o House: $17.8 billion in discretionary funding and $56.5 billion in THUD funding
  o Senate: $19.5 billion in discretionary funding and $60.1 billion in THUD funding
• TIGER:
  o In FY 2017, the TIGER Grant Program received $500 million in funding.
  o The administration and the House zeroed out funding for the TIGER, while the Senate allocated TIGER an additional $50 million for FY 2018.
  o This zeroing out has occurred for a number of years, because it provides additional room for House priorities and they know Senate will have it in.
• Capital Investment Grants (New Starts) Program:
  o FY 2017 level was $2.4 billion
  o The Senate bill put its FY 2018 funding at $2.13 billion
  o The House bill put its FY 2018 funding at $1.75 billion
  o The House and the administration agree to no funding for new projects, but continue to fund existing projects
• Amtrak and Passenger Rail:
  o The FY 2017 level was $1.5 billion
  o The FY 2018 requested funding level was $795 million (cuts all long-distance routes)
  o House: $1.4 billion for FY 2018
  o Senate: $1.6 billion for FY 2018 - $358 million for NEC and $1.2 billion for National Network
• The Gateway Project could receive $900 million from the House ($400M from CIG, $500M from Federal-State Partnership for State of Good Repair grant program) and $0 from the Senate (but does note that NEC funds can be used for Gateway).
• California High Speed Rail: The House bans funds for this project, while the Senate has no provisions.
• Essential Air Service:
  o The FY 2017 funding level was $150 in discretionary funds and $104.2 in mandatory funds
  o House: $150M discretionary; $119.1M mandatory
  o Senate: $155M discretionary; $119.1M mandatory

Neil Bomberg

• The bad news? There were significant cuts to HHS and workforce programs in the House bill. The good news? The cuts weren’t nearly as drastic as those proposed by the administration.
• We do not yet know what the Senate proposals are yet because they have not provided a draft bill.
• The House would appropriate $8.5 billion to DOL’s the employment and training administration. That is a cut of $1.5 billion over last year, but $850 million more than the president’s request.
• $3 billion would be authorized for employment and training services under the Workforce Innovation and Opportunity Act (WIOA). That is nearly $300 million less than last year but nearly $1 billion more than the president’s request.
• Overall funding for adult employment and training would be cut by nearly $40 million to $287 million.
• Youth employment and training the cut would be $42 million to $309 million.
• Dislocated worker training the cut would be nearly $100 million to $1.15 billion.
• The House would authorize level funding for LIHEAP or $3.4 billion. Importantly, that is $3.4 billion above the president’s request.
• One of the bright spots is funding for some Administration on Aging programs:
  o Overall, the appropriation would increase funding for the Administration for Community Living (ACL) which includes the Administration on Aging
  o ACL is increased by nearly $250 million over last year and $386 million more than the president requested
The result is that many AOA programs are funded at last year’s levels

- Senior Community Service Employment Program is cut by 25 percent from $400 million to $300 million, still $300 million than the president requested.

Senate Expectations:
- We do not know what the Senate appropriation will look like – the subcommittee intends to mark up a bill once they return in September
- We have reason to believe, based on conversations with Hill staff, that the cuts will not be nearly as significant as those proposed on the House side
- Once we have those numbers, we will share them with you through eRegions

Advocacy Recommendations:

- Whether you’re a region, county, or city, you must be willing to get involved in discussions surrounding the federal budget. There’s an old saying in DC that goes “If you’re not at the table, you’re on the menu.”
- Encourage your representatives to attend your meetings or visit sites that are funded through federal funding. This will give them a first-hand look at what federal funding is helping achieve in our communities. It will also stress the need for funding levels to stay the same or increase for programs that are important to your constituents.
- Utilize the advocacy toolkits from NLC and NACo to help you as you advocate this summer.
- Take the opportunity to reach out to your representative while they are home in the districts to inform them about what programs are services are most important for our communities.
- Convene stakeholders together to put a face on these programs and issues – it may help make the difference of how representatives decide to approach issues once they’re back in DC.

Additional Resources Mentioned on the Call:

NARC’s eRegions Newsletters: http://narc.org/resource-center/publications/eregions/

NARC’s Transportation Thursdays Newsletters: http://narc.org/resource-center/publications/transportation-thursdays/

NARC’s Regions Lead Blog: https://regionslead.org/

NLC’s Fight the Cuts Advocacy Toolkit: http://www.nlc.org/FightTheCuts


