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**TO:** Mayor Robinson and City Councilmembers

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**SUBJECT:** Federal Legislative Update

**December-January Federal Legislative Summary**

A closely divided Congress returned to Washington, DC, in January to kick off the 118<sup>th</sup> Congress. In the Senate Democrats have a one seat majority this Congress (51 Democrats to 49 Republicans) versus being evenly divided. The one-seat majority should help them move appointments and confirmations more easily and without the need to call in VP Harris to break a tie.

In the House Republicans hold a slight majority (222 Republicans to 212 Democrats). One seat remains to be undecided - Virginia's 4<sup>th</sup> congressional district is holding a special election in February to determine the replacement for Rep. Don McEachin (D) who passed away.

If the first few weeks are any indication of things to come, this Congress promises to be full of drama induced deadlock. After a long, drawn-out and very public display of interparty feuding, Rep. Kevin McCarthy (R, CA) became the new Speaker of House after a historic 15 rounds of votes. With leadership and committee selections finally in place, the 118<sup>th</sup> Congress is off to the races.

This update will preview the FY 2023 Omnibus Appropriations that was enacted days before Christmas and takes a look at the year ahead for our federal leaders.

**Budget & Appropriations**

The FY 2023 Omnibus Appropriations bill passed Congress just days before Christmas. The sweeping bill includes \$1.7 trillion across the 12 appropriations bills to fund federal government functions and includes several other provisions and bills that were able to hitch a ride.

There was something for everyone in the FY 2023 funding package. While they did not achieve absolute parity with the increase for defense spending, Democrats got a strong boost to discretionary funding. Non-defense discretionary funding was increased to \$772.5 billion, an increase of \$42.5 billion over FY 2022 levels. This includes funding for more than 7500 member earmarks, totaling \$16 billion. Every non-defense discretionary appropriations bill saw increases in funding.

- Energy and Water: \$54.65 billion, a \$1.778 billion increase
- Financial Services: \$27.699 billion, a \$2.067 billion increase
- Homeland Security: \$60.7 billion, a \$3.2 billion increase
- Interior-Environment: \$40.45 billion, a \$2.45 billion increase
- Labor-HHS-Education: \$209.9 billion, a \$14.8 billion increase
- Legislative Branch: \$6.9 billion, a \$975 million increase
- Military Construction-VA: \$135.2 billion in discretionary funds and \$168.6 billion in mandatory funds, a \$34 billion increase combined



- State and Foreign Operations: \$61.758 billion, a \$3.76 billion increase
- Transportation-HUD: \$90.955 billion, a \$9.917 billion increase

FY 2023 defense funding is at \$858 billion, an increase of \$76 billion over FY 2022.

Some specific programs of interest to Bellevue mostly stayed at level funding for received increases.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>Agriculture</b>						
SNAP	\$71 B	\$73.5B (-\$536.6M)	\$67.9B	\$114B	\$140.4B	\$153.9B
WIC	\$6.18 B	\$6.08B (-\$100M)	\$6.0B	\$6B	\$6B	\$6B
<b>Commerce, Justice, Science</b>						
PAC Salmon Recovery Fund (NOAA)	\$65 M	\$65 M	\$65M	\$65M	\$65M	\$65M
VAWA STOP Grant (DOJ)	\$215 M	\$215M	\$215M	\$215M	\$217M	\$255M
Byrne Justice Assistance Grant (JAG)	\$416 M	\$423.5M	\$547.2M	\$484M	\$674.5M	\$770.8M
Community Oriented Policing Services (COPS) hiring grants						\$324M
Anti-Opioid Grants (CARA)	\$330 M	\$347M	\$378M	\$394M	\$394M	\$394M
<b>Interior</b>						
Puget Sound Geographic Program	\$25.5M	\$28M	\$33M	\$33.75M	\$50M	\$50M
<b>Labor Health &amp; Human Services</b>						
State Opioid Response Grants (under SAMHSA)	\$1 B	\$1.5 B)	\$1.5B	\$1.5B	\$1.5B	\$2B
CDC Public Health Preparedness Response	\$1.4B	1.5B	\$2.44B	\$4.5B** \$3B Provider	\$862.2 M	\$883M
<b>THUD – Housing &amp; Urban Development</b>						
CDBG	\$3.3 B	\$3.3 B	\$3.4B	\$3.475B	\$4.84B	\$6.4B
Homeless Assistance Accounts	\$2.5 B	\$2.63B	\$2.78B	\$3B	\$3.2B	\$3.63B
HOME grant program	\$1.36 B	\$1.25 B	\$1.35B	\$1.4B	\$1.5B	\$1.5B
<b>THUD – Transportation</b>						
RAISE (formerly BUILD/TIGER)	\$1.5 B	\$900M	\$1B	\$1B	\$2.2B	\$1.5B
New Starts/Small Starts (Capital Investment Grants)	\$2.64 B	\$2.55 B	\$1.98B	\$2B	\$2.9B	\$2.21B
Funding for road and bridge projects (National Infrastructure Investments i.e. INFRA Grants)	\$1.98 B	\$900M	\$1B	\$2B (\$1B set-aside for risk-based bridge rehab)	\$1.5B	\$2B est, (\$8.0B is available FY22-26)
Transit formula grants	\$9.7 B	\$9.9B	\$10.15B	\$10.8B	\$13.35B	\$13.6B
Transit Infrastructure grants	\$834 M	\$900 M	\$510M	\$516M	\$504M	\$542M
TIFIA	\$285 M	\$2.6B	\$1B	\$200M*	1.25B	\$1.25B est.

Other measures and bills included in the Omnibus package include:

- \$45 billion in emergency funding for Ukraine
- \$38 billion in disaster aid for areas affected by hurricane, drought and other natural disasters.
- Public Health Emergency Preparedness and Consumer Protection



- Chinese stock delisting and other foreign policy measures
- Electoral Count Act of 1887- this bill sets a higher threshold for challenging presidential election results
- TikTok ban on federal government-owned devices

Not included in the bill was President Biden's request for \$10 billion for additional COVID-19 and related health funding, a measure to allow for banking services for cannabis-related businesses, and several tax extender proposals (i.e., R&D tax credit, child tax credit, etc.).

### **2023 Outlook**

Over the course of this year, we can expect the Republican-led House to have a robust agenda focused on investigating President Biden and his administration. There will also be attempts to roll-back and push back on Biden's legislative agenda.

The Democrat controlled Senate will be the place where deals will be brokered. Senate Democrats will also focus on pushing through as many confirmations as possible.

There will be a few must-pass bills this year, including:

- FY 2024 budget – this work will begin after the President releases his budget, which typically occurs in February. House Republican's objections to the FY 2023 funding bill sets the stage for a contentious appropriations process this year. Earmarks, however, are here to stay...for now. The House Republican Conference voted to continue to allow "community project funding" (a.k.a. earmarks) in appropriations bills. The conservative Freedom Caucus had threatened to oppose the inclusion of earmarks.
- Debt Limit – it's expected that the federal government will reach its \$31.4 trillion debt limit sometime in the third quarter of this year or sooner. Already the Department of Treasury and the President are urging Congress to address this issue and pass a bill to increase the federal debt limit or risk damaging the credit worthiness of the United States. This will be the big, political fight of the early half of the year. Republicans are demanding concessions to limit and/or cut federal spending for their support of an increase in the debt limit.
- Federal Aviation Administration Authorization – Congress has until September 30<sup>th</sup> to renew federal aviation programs. Recent flight disruptions, consumer and staffing concerns, etc. are likely to dominate discussions.
- Farm Bill Reauthorization – The deadline to reauthorize the five-year Farm Bill is September 30<sup>th</sup>. Key federal nutrition programs, including SNAP, WIC, school lunch programs, etc. are included in this bill. House Republicans have suggested that nutrition programs be stripped from the farm package and authorized under a separate package. Republicans are also likely to revive the debate on work requirements for SNAP recipients during bill consideration.

Other legislation likely to be considered include bi-partisan proposals that did not make it into the Omnibus package at the end of 2022. Some of these include proposals related to:



- Immigration – A couple bi-partisan, Senate proposals that will likely come back for serious consideration included a proposal to extend Title 42 border restrictions and a proposal to develop a path to citizenship for DACA recipients. House Republicans will oppose any broad immigration package but may support narrower proposals, especially proposals related to worker visas.
- Cannabis banking -- S. 910, a bill to pave the way for banking services for cannabis-related businesses almost made it into the FY 2023 funding package but was omitted. The issue is likely to get traction again in the 118<sup>th</sup> Congress.
- Cryptocurrency – congressional investigations and legislation around the regulation and monitoring of cryptocurrencies has taken on new urgency after the implosion of FTX.
- Tax breaks and extenders – the FY 2023 omnibus omitted a host of highly sought-after tax extenders and tax breaks. House Republicans are certainly going to want to move a tax package that will include tax breaks favored by businesses, including the R&D tax break. Democrats continue to push for an expansion and extension of the child care tax credit and a low-income housing tax credit.
- Tech and privacy – Narrow bills focused on child-protections and anti-trust measures are likely to continue to move forward with bi-partisan support. These proposals were omitted from the FY 2023 Omnibus but have strong support.

### **Federal Affairs Activities**

Bellevue officials and representatives have had several opportunities already this year to engage with our federal partners.

Mayor Robinson recently participated in meetings with Senator Patty Murray and Rep. DelBene. The meeting with Senator Murray was a roundtable discussion with other area mayors where Mayor Robinson was able to share an update on the city and advocate on behalf of the city's B-SAFE grant proposal. The meeting with Rep. DelBene was at Bellevue City Hall and was an opportunity to introduce DelBene to our city and discuss our federal priorities. Starting in 2023, DelBene's district now officially includes most of Bellevue.

Councilmember Janice Zahn and Franz Loewenherz, Bellevue's Mobility Planning and Solutions Manager, had another opportunity to be in Washington, DC, already this year for meetings with the Transportation Research Board. This provided another opportunity for Bellevue to interact with officials from USDOT and highlight the B-SAFE program. We have learned that USDOT is likely to notify awardees of its Safe Streets and Roads 4 All Grant Program by the end of January or very early February.

Bellevue's external affairs and federal affairs team continue to advocate for the B-SAFE grant proposal via continued communications with our delegation. Reps. DelBene and Adam Smith and Senators Cantwell and Murray's offices have all reached out to USDOT several times about our grant proposal in December and January.

Bellevue's team is also looking ahead and reviewing possible programs that might be ready and competitive for federal funding opportunities this year, including grants, earmarks, federal pass-through programs via the state, PSRC, etc. Staff is also planning to bring forward a draft set of 2023 Federal Priorities to council for consideration and adoption in the spring.