

## **CITY COUNCIL STUDY SESSION ITEM**

### **SUBJECT**

Federal Legislative Update

### **STAFF CONTACT**

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### **POLICY ISSUES**

Congress, the Administration, and Federal agencies each year approve actions that impact the City in a broad range of areas. Staff may recommend, and/or Council may wish to direct, communication to the City's Congressional delegation on a range of issues throughout the year.

### **DIRECTION NEEDED FROM COUNCIL**

☐ Action  
☐ Discussion  
☒ Information

Council may wish to provide direction to staff regarding particular legislative proposals.

### **BACKGROUND/ANALYSIS**

#### **DC Big Picture Update**

Congress is in a sprint to get through (or at least get started) on many of its big ticket items for the year. There are about six weeks remaining before the summer recess which begins early this year to allow members to attend the Presidential nominating conventions in July.

The House is tackling its version of the National Defense Authorization Act (NDAA), the annual authorization bill for defense programs. At least 60 amendments have been ruled in order for action over the next few weeks. Congressman Adam Smith (D-WA) is the ranking member (most senior Democrat) on the House Armed Services Committee and has been integral to the process. However, he has not yet decided whether to support the measure on the floor, citing concerns about the measure's use of war funds to pay for unrequested warships and other items. The White House has issued a veto threat.

The Senate has moved its version of the NDAA measure through committee, and there is likely to be a floor fight when it comes before the full chamber, as many contentious issues and amendments were not taken up in the committee. The NDAA is one of the few things that can be consistently counted on to pass each year, and as a result, it is sometimes a target for unrelated amendments. So far, the measures are moving through both chambers without extraneous policy additions, but the NDAA could still become the vehicle for unrelated issues later this year.

Both chambers are working on plans to address funding to combat the Zika virus. The President has requested \$1.9 billion in emergency funds for prevention, research and treatment of the mosquito-borne disease. On the Senate side, a deal reached between Senator Patty Murray (D-WA) and Senator Roy Blunt (R-MO) that would provide \$1.1 billion in emergency funding with no offsets passed on May 17. The

House is working on its own funding package that would direct about \$661 million in funding to Zika, with the dollars being redirected from unused Ebola funding and from the Prevention and Public Health Fund (PPHF); however, dollars transferred from this fund would be sorely missed by local public health organizations around the country.

Recently, there was extensive discussion and action on legislation targeting the opioid abuse crisis that is impacting communities nationwide. The House approved a package of bills, the Comprehensive Abuse and Recovery Act (CARA) and a bill that would set up a task force on pain management practices, where agreement was reached to proceed to conference committee with the Senate on the measures. Additionally, the Senate could move on additional mental health legislation before the July break.

## **Progress on FY17 Spending**

### ***Budget Resolution***

Last fall's Bipartisan Budget Act (BBA) set topline spending numbers for FY17 and included a provision that applies those spending levels to the Senate, which means that the upper chamber does not need to pass a budget resolution this year. On the House side, Republican leadership continues to seek a path forward on a budget resolution of its own. A budget resolution would largely be a messaging document at this point and it is also a key step in demonstrating that the Republican Majority in the House can operate under normal order. However, the conservative wing of the party continues to oppose the topline numbers set in the BBA (which was passed with many Democratic votes) and is calling for cuts to mandatory spending that would offset the increase in topline discretionary spending. The political wrangling continues, and it's not clear whether there will ultimately be a budget resolution for FY17.

### ***Appropriations Bills***

Leaders in both the House and Senate have spent months emphasizing their commitment to regular order in the appropriations process. Regular order is characterized by moving each of the 12 annual spending bills through the committee process and passing them on the floor. In recent years, the appropriations process has involved passing a continuing resolution to keep the government operating into the next fiscal year and then reaching a deal on an omnibus spending bill and finally, sending the legislation to the President. The clock is ticking to get through all of that process with the limited time left on the calendar (and some resistant members) but leadership and senior appropriators are making a solid effort at getting as much done as possible.

The Senate, operating under the topline numbers set in the BBA, launched into the appropriations process in early April. It's unusual for the Senate to begin its appropriations work so early because spending bills must originate in the House. However, the uncertainty around the House budget resolution has delayed the lower chamber's ability to move forward. To bypass the procedural issue that requires appropriations bills originate in the House, the Senate has been amending its FY17 bills onto leftover spending bills from the FY16 process.

The Senate started with the Energy and Water appropriations bill. And, while it took several weeks to pass due to a disagreement over an amendment, the measure passed earlier this month. The Energy and Water spending bill provides \$37.5 billion in appropriations for the Department of Energy, the U.S. Army Corps of Engineers and Bureau of Reclamation among other things. Senators are now considering a bill that combines the Transportation, Housing and Urban Development (THUD) spending bill and the Military Construction and Veterans Affairs spending bill—a necessary approach because there are a limited number of House spending bills to use as vehicles. The Military Construction-VA measure is perhaps the

least controversial of the spending bills, directing \$83 billion to the Department of Veterans Affairs and the Department of Defense. More information on the THUD spending measure is included below.

With or without a budget resolution, the House can begin advancing appropriations bills after May 15 under budget rules set in 1974. House members are kicking off their appropriations work with the Military Construction-Veterans Affairs spending bill which typically has broad bipartisan support. The House Appropriations Committee and Subcommittees are hard at work on the Defense, Legislative Branch, Commerce-Justice-Science bills as well.

In both chambers, regular order is tenuous as Congressional Democrats and the Obama Administration keep a close eye out for policy riders that would be considered “poison pills”. Poison pills are likely to come in the form of attempts to curtail regulatory authority, defund Planned Parenthood and block the Iran deal, among others.

Even though progress is being made in regular order, it’s still very likely that a continuing resolution will be necessary to bridge the gap from the end of FY16 on September 30 until a final deal can be reached after the November election with a lame duck Congress.

### **Transportation & Infrastructure**

With the five-year FAST Act surface transportation bill in place, there is a much better blueprint for transportation funding in the THUD spending bill than there has been in recent years. The Senate bill (bundled with the Military Construction-VA measure on the floor last week) provides \$16.9 billion for the Department of Transportation, including a bump in funding for the TIGER grant program from \$500 million to \$525 million. The DOT budget also includes funding from the Highway Trust Fund and other fees. In the \$58.2 billion House bill released last week and set for markup, DOT is funded at \$19.2 billion. It funds the TIGER program at \$450 million, a decrease of \$50 million from FY16. The discrepancies will need to be ironed out between the two chambers in a conference committee.

The Senate’s THUD bill also provides \$39.2 billion in funding to the Department of Housing and Urban Development (HUD), a two percent increase from FY16. Much of the HUD spending is directed toward rental assistance, the rising cost of which has placed pressure on appropriators. The bill includes \$6.7 billion in Community Planning and Development programs, \$2.3 billion for Homeless Assistance Grants and additional funding for housing for persons with AIDS, homeless youth, and programs to support housing for families. The House version of the THUD bill directs \$38.7 billion to HUD programs. The bill includes \$27.4 billion for public housing and \$11.6 billion for other housing programs.

### **Tax & Finance**

Progress remains slow on the Marketplace Fairness Act or similar Remote Transactions Parity Act that would allow states to collect sales tax on internet sales within their borders. A new tactic has emerged as states begin passing their own legislation in hopes of setting up a court battle over the issue. With the calendar filled with appropriations action for the coming months, it is unlikely that Congressional efforts will break through in the near future.

### **Energy & Environment**

The Senate passed its bipartisan energy policy bill last month. The measure promotes updated building codes and residential energy efficiency upgrades, funds weatherization programs, supports renewable energy and permanently reauthorizes the Land and Water Conservation Fund. The Land and Water Conservation Fund is an important source of funding for state and local governments to invest in parks

and green space. The next step will be to convene a conference committee to iron out the details between the Senate bill and the energy bill passed by the House at the end of 2015. With Senator Maria Cantwell (D-WA) serving as the ranking member of the Senate Energy and Natural Resources Committee and Congresswoman Cathy McMorris Rodgers' (R-WA) position on the House Energy and Commerce Committee, Washington state will be well represented if and when the conference committee convenes.

**ALTERNATIVES:**

NA

**RECOMMENDATION:**

NA

**ATTACHMENT(S):**

NA