

## 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**

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#### **DIRECTION**

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#### **INFORMATION ONLY**

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

### **BACKGROUND/ANALYSIS**

#### **Fiscal Year 2017 Appropriations**

Congress returned to session in September after an extended summer recess with one primary goal – pass a stopgap funding measure to avoid a government shutdown at the start of the new fiscal year on October 1. There were initial hopes that this work could get done quickly to allow members to return to their districts/states and continue to campaign. However, it ultimately took until two days before the end of the federal fiscal year to reach a deal on a continuing resolution (CR), pass it and send it on to President Obama for his signature.

The stopgap funding measure holds funding steady at FY16 levels through December 9. The CR also included \$1.1 billion in funding to address the Zika virus, \$500 million in flood relief (mostly for Louisiana) and the full FY17 Military Construction-Veterans Affairs spending bill. The CR passed with strong majorities in both chambers – 72-26 in the Senate and 342-85 in the House. Shortly after passing the CR, both chambers adjourned for recess. They are set to return on November 14, the week after the November General Election.

Completing work on FY17 funding will be at the top of the “to do” list when members return for the “lame duck” session. Republican leadership in both the House and the Senate have signaled that they favor passing several packages of appropriations bills, dubbed “minibuses”, rather than one all-encompassing spending bill or omnibus. By avoiding lumping all appropriations decisions into one large omnibus, Republicans hope to maintain more control over the contents of each of the bills. On the other hand, Democrats favor an omnibus approach where they can avoid having to fight off policy riders one-by-one.

On a more political note, Election Day looms large in terms of what the agenda will be for the lame duck session. In particular, the narrow margin in the Senate means that chamber could change hands

from Republicans to Democrats. Should that happen, there will be less incentive for Democrats to compromise with Republicans on issues where they could advance more favorable legislation once they are in the majority next year.

In the House, where the Republicans hold a larger majority, it is less likely there will be a change in control from the Republicans to the Democrats, but Democrats are expected to pick up a few seats. It's also expected that the House Freedom Caucus will grow its membership as more conservative candidates are expected to win a number of seats previously held by more moderate Republicans.

And finally, the outcome of the presidential election, of course, will have a major impact on what (if anything) will get done in the coming years. It's expected that a Clinton administration will look fairly familiar to past administrations in terms of structure and ability to engage with agencies and move its agenda. A Trump administration will be a wild card in terms of how agencies are structured and function. Assuming that the Democrats and Republicans split control of Congress (or at least that neither party has a filibuster-proof majority), the sure thing appears to be continued gridlock in dealings with Congress, and it will set up a dramatic 2018 midterm election.

### **Transportation & Infrastructure**

***U.S. Water Resources and Development Act (WRDA)*** – WRDA authorizes the policies and activities of the Army Corps of Engineers and Corps-owned or operated projects. The House and Senate both passed WRDA bills in September before leaving for recess. The House bill authorizes \$9 billion for 31 Corps projects; the Senate bill authorizes \$10.6 billion for 30 Corps projects. The next step will be for a conference committee to iron out the differences between the two versions and, if there's agreement on a conference report, move to final passage during the post-Election lame duck session. The WRDA bill was an integral piece of the compromise that led to the CR with Republicans agreeing to include funding to address the lead contamination of drinking water in Flint, MI, which Democrats had been supporting.

### **Tax & Finance**

***Online Sales Tax*** – The path forward on online sales tax legislation remains murky. Proposals in both chambers, including the latest from House Judiciary Chairman Bob Goodlatte (R-VA) released in August, have failed to gain traction during this Congress, and time will be short during the lame duck session.

***Trans-Pacific Partnership (TPP)*** – The Obama Administration is holding out hope that Congress will consider the TPP, the trade deal between the US and eleven Pacific Rim nations, in the lame duck session. However, the prospects for passage are dim given opposition from both of the presidential candidates and remarks from Senate Majority Leader Mitch McConnell (R-KY) that the Senate will not take up the deal due to "serious flaws". The business community – particularly in trade-dependent Washington – has been mostly pro-TPP, while the labor and environmental communities are opposed. The Washington state congressional delegation is split on the issue.

### **Energy & Environment**

***Energy Policy Bill*** – The energy bill conference committee kicked off with its first meeting in early September. The energy bill, which would be the first since 2007, addresses energy infrastructure, cyber security, energy efficiency and workforce development. Major sticking points in the conference committee negotiations include what to do with the Land and Water Conservation Fund, offshore oil leases and the impacts of the severe drought in California and elsewhere. While conference committee

leaders remain committed to getting an energy bill to President Obama before the end of the year, it's unclear whether there will be time for action during the lame duck session when members will be focused on appropriations.

**ALTERNATIVES**

NA

**RECOMMENDATION**

NA

**ATTACHMENT**

NA