

**CITY COUNCIL STUDY SESSION**

Federal Legislative Update

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**DIRECTION NEEDED FROM COUNCIL****INFORMATION  
ONLY**

No formal action is required; this is an informational briefing. 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.

**RECOMMENDATION**

N/A

**BACKGROUND & ANALYSIS****BIG PICTURE UPDATE**

For the first time in decades the U.S. Senate significantly shortened its August recess in order to reach agreement on several appropriations and legislative proposals and consider the nomination of Judge Brett Kavanaugh to the US Supreme Court. For the most part, their work has paid off.

With the House only scheduled to be session for 11 days during September, Congress began a full-fledged sprint immediately after Labor Day to complete appropriations measures before the end of the fiscal year. Leaders from both sides of the aisle and in both chambers successfully moved to strip out controversial proposals to reach agreements to pass key measures and keep the government funded beyond September 30. Congress has moved the first of the three appropriations mini-buses containing Energy and Water, Legislative Branch and Military Construction Appropriations. Lawmakers also unveiled and are poised to approve an agreement to move forward the conference report for minibuss #3, the Labor-Health and Human Services, Defense and Education appropriations package and a continuing resolution to fund the rest of the government through December 7. The Water Resources Development Act (WRDA) and a Senate package to address the opioid epidemic have also passed.

The first half of September has been productive, and it even felt like Congress had reached a new level of cooperation. The Supreme Court nomination process had taken on a less political tone with many observers assuming the nomination of Judge Kavanaugh was a foregone conclusion with a vote scheduled for this Thursday --- and then the sexual misconduct allegation surfaced. With agreements largely in place to fund the government after the end of the year, the remainder of September could be dominated by more politically-charged proceedings, including extended proceedings over Kavanaugh's nomination, debate on a second tax package, immigration, trade and tariffs, etc.

## **BUDGET AND APPROPRIATIONS**

Congress has reached agreement on two of the three appropriations mini-buses and an agreement to fund the rest of the government through December 7. The appropriations agreements reached by the House and Senate by and large increase funding over 2018 levels or hold funding levels constant. The President had hoped that Congress would consider funding for a border wall but consideration of this proposal will likely not take place until after the November elections. For now, the President appears to have stepped away from his initial threat to shut down the government until Congress approved this proposal. Funding for the border wall is largely contained in the Homeland Security Appropriations measure. This is one of the bills included in the continuing resolution that would extend FY 2018 funding levels through December 7.

A conference report to HR 5895, containing Energy and Water, Legislative Branch and Military Construction Appropriations bills passed both the House and Senate on September 13. This is the first of the three appropriations mini-buses Congress has sent to the President. Key provisions of the Energy and Water sections (Energy Department and U.S. Army Corps of Engineers and related agencies) of the conference report include:

The minibus includes a total of \$44.64 billion for the Energy and Water section. This is an increase of \$1.44 billion over FY 2018 levels and \$8.1 billion above the President's budget. Funding is targeted toward national security efforts and energy and water infrastructure investments.

- The U.S. Army Corps of Engineers is funded at a record level of \$7 billion, an increase of \$172 million over FY 2018 for water resources infrastructure. This includes \$2 billion to support public health and safety by funding storm and flood damage reduction activities.
- Investments in water infrastructure include \$307 million for new and existing construction projects and \$602 million to revitalize existing port and riverine facilities and waterways. There is also a nearly \$1.2 billion increase for basic scientific research, including \$300 million for new or upgraded facilities and equipment.
- Environmental Cleanup activities will receive \$7.2 billion, a \$53 billion increase above FY 2018 levels and \$578 million above the President's request. \$6 billion of this funding will go towards Defense Environmental clean-up activities, such as the nuclear cleanup effort at Hanford.
- The Bureau of Reclamation and Department of Interior receive \$1.57 billion, an increase of \$85 million over FY 2018, to "manage, develop and protect water resources in the Western states". This includes \$196 million to fund Western drought programs authorized under the Water Infrastructure for the Nations (WIIN) Act and long-term drought strategies like water storage, water recycling, reuse and desalination.
- The House bill contained 11 provisions considered to be 'poison pill riders' by the minority party. None of these provisions were accepted by conferees, including language to repeal the Waters of the U.S. rule and language to support development of a nuclear waste storage site at Yucca Mountain in Nevada.

The ***Labor, Health and Human Services (HHS), Defense and Education package*** covers nearly 70% of the annual discretionary government budget. The defense spending bill is a top priority for

many Republicans and the Labor-HHS bill is a top priority for Democrats. The Senate could vote on the bill package soon with the House following that.

The Labor-HHS, Education, and Related Agencies section of the bill provides \$178.1 billion in discretionary funding for the Departments of Labor, HHS, and Education and Related Agencies. It includes investments in medical research, opioid abuse prevention and treatment, and education. The bill includes \$39.1 billion for the National Institutes of Health (NIH), an increase of \$2 billion, and \$3.8 billion to combat the opioid crisis, an increase of \$206 million. The bill also prioritizes education formula grants providing a combined \$299 million increase for: Title I Grants to school districts; Individuals with Disabilities Education Act (IDEA)/Special Education State grants; Student Support and Academic Enrichment Grants; and Impact Aid. Pell grant awards receive a 1.6 percent increase and Year-Round Pell grants are continued.

The Department of Defense section of the bill includes \$674.4 billion, an increase of \$19.8 billion above the FY2018 allocation.

### **WATER RESOURCES DEVELOPMENT ACT (WRDA) – AMERICA’S WATER INFRASTRUCTURE ACT OF 2018**

The House has passed, and the Senate will consider a water resources reauthorization bill. Commonly known as WRDA, the bill incorporates provisions from several bills. Main provisions include:

- Authorization of the U.S. Army Corps of Engineers’ activities and projects for ports, water ways, flood protection and other water infrastructure improvements. The Port of Seattle’s Seattle Harbor Navigation Improvement Project is authorized under the agreement and funding authorization for the rehabilitation of Corps-constructed dams is increased from \$10 million to \$40 million.
- Greater investments and improvements to the nation’s drinking water delivery system. This includes authorization of \$4.4 billion over three years for the state drinking water revolving loan fund program, aid to states and utilities for compliance and asset management, updates to the antiterrorism and resilience measures at public water systems, and improved transparency for consumers about the quality of drinking water.
- The agreement addresses stormwater and wastewater infrastructure improvements and reauthorizes and strengthens the Water Infrastructure Finance and Innovation Act (WIFIA) program.

### **OPIOID LEGISLATION AND FUNDING**

The Senate passed an opioid package by a vote of 99-1 on September 17. The package, known as the Opioid Crisis Response Act of 2018 (OCRA), combines over 70 different proposals. Senator Patty Murray (D-WA), the ranking member of the Senate Health, Education, Labor and Pensions (HELP) Committee, helped champion the issue. The House passed its bill in June. According to news reports, Senate aides feel confident the House and Senate will be able to reconcile the bills and they hope to pass something by the end of the year. A few key features of the Senate package include:

- **Reduce Use and Supply.** The legislation includes the STOP Act which will help stop illegal drugs at the border, as well as provisions that provide flexible grants for states to better share Prescription Drug Monitoring Programs data, clarify Food and Drug Administration (FDA) authority to require set packaging for prescription opioids, such as a 3 or 7-day supply in a blister pack, and to fight opioid diversion.
- **Encourage Recovery.** The legislation includes provisions to support states and Indian tribes in addressing substance use disorders, establish comprehensive opioid recovery centers, expand access to medication-assisted treatment, and improve community support, access to health professionals, tele-health services and long-distance care, and recovery housing services.
- **Support Caregivers and Families.** The legislation includes provisions to improve plans for safe care and support for substance-exposed babies and their mothers, promote family-focused treatment and recovery, help youth recover from substance use disorders, and strengthen trauma-informed care and support in schools and early childhood education programs.
- **Drive Innovation and Long-Term Solutions.** The legislation includes provisions to advance cutting-edge research to spur discovery and development of new non-addictive painkillers, address economic and workforce impacts of the opioid crisis, ensure parity in mental health and substance use disorder benefits, and improve pain management techniques.

Click [here](#) for text of Opioid Crisis Response Act of 2018 bill.

Funding to combat the opioid crisis has increased the last couple years. The conference report for Labor-HHS appropriations for FY 2019 continues this trend. The conference agreement provides \$3.78 billion in the Health and Human Services budget for programs addressing opioids and mental health, an increase of \$2.7 billion over 2017. This includes:

- \$1.9 billion in enhanced state grants to address the opioid epidemic and mental health;
- \$350 million for opioid overdose surveillance and prevention at the Centers for Disease Control and Prevention, as well as enhancement of State Prescription Drug Monitoring Programs;
- \$495 million to improve access to opioid and substance use disorder treatment in rural and underserved areas; and
- \$100 million to address the needs of children who are affected by parental substance use.

### **TAX CUTS – REPUBLICANS RELEASE SECOND TAX CUT PACKAGE**

House Ways and Means Committee Chairman Kevin Brady (R, TX-8) released three bills that constitute the House Republicans' package for a second tax cut package. The package of bills would make the individual and pass-through tax cuts permanent, expand some retirement savings offerings and grant additional tax benefits to startups. Bloomberg Government reports that the Senate is unlikely to vote on making the tax cuts permanent but could consider some of the more narrow retirement or startup tax issues. The House is targeting a vote on the package before the midterm elections. The Joint Committee on Tax estimates that making the tax cuts permanent would cost about \$631 billion over a decade. The retirement provisions would cost about \$21 billion over 10 years and startup tax breaks would reduce government revenue by about \$5.4 billion over 10 years.

### **NATIONAL FLOOD INSURANCE PROGRAM**

The National Flood Insurance Program, run by the Federal Emergency Management Administration (FEMA), was extended by Congress through November 30. House and Senate committees continue to grapple with numerous proposals to reauthorize and overhaul the program. FEMA is funded in the Homeland Security Appropriations bill which is very controversial because of the President's border wall funding request.

### **POLICY & FISCAL IMPACTS**

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### **OPTIONS**

N/A

### **ATTACHMENTS & AVAILABLE DOCUMENTS**

N/A

### **AVAILABLE IN COUNCIL LIBRARY**

N/A