

CITY COUNCIL STUDY SESSION ITEM

SUBJECT

Federal Legislative Update

STAFF CONTACTS

Joyce Nichols, Intergovernmental Relations Director, 452-4225
City Manager's Office

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.

ACTION



DIRECTION



INFORMATION ONLY



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

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

BACKGROUND/ANALYSIS

DC Big Picture Update

Congress is halfway through its two-week Easter/Passover recess. Members will return the week of April 24 and immediately tackle FY17 appropriations. The current continuing resolution (CR) funding the federal government expires on April 28. Failure to pass another CR or an omnibus spending bill by the end of the day on April 28 would result in a partial government shutdown. More on appropriations below.

Just before the two-week break, House Speaker Paul Ryan (R-WI) continued his efforts to craft a compromise bill to repeal and replace the Affordable Care Act (ACA) which could hit the House Rules Committee the week of April 24, but that timing depends entirely on whether the Speaker can craft a bill that satisfies enough of the competing factions within the House Republican Conference to garner the 218 votes necessary to pass the bill out of the House. But each tweak seems to unearth a new land mine. The newest version of the bill would actually cost taxpayers more money while still resulting in several million Americans losing health insurance.

On the Senate side of the Capitol, Republicans are fresh off successful confirmation of Judge Neil Gorsuch as a Justice on the US Supreme Court, but the process was not without controversy. After the Democratic minority attempted a filibuster of Judge Gorsuch's confirmation, Majority Leader Mitch McConnell (R-KY) initiated a procedural change to bypass the filibuster and move forward with the confirmation vote. Employing the so-called "nuclear option" further-strained the already tense relationship between Senate Republicans and Democrats.

The Senate will now resume efforts to process nominees put forward by President Trump for senior department and agency positions. However, while nearly all Cabinet-level nominees have been confirmed, only 22 of 553 key positions requiring Senate approval have been confirmed. This number accounts for only a small portion of the estimated 1,200 positions that require Senate confirmation and need to be filled – putting President Trump behind his most recent predecessors in filling vacancies.

The end of the FY17 CR coincides with President Trump's 100th day in office. The First 100 Days of a presidency are generally marked with lots of action, and this Administration is no different. President Trump has had some fits and starts, perhaps most notably around the attempt to repeal and replace the ACA last month, but has already taken dramatic action via executive order on a range of issues relating to health care, immigration, public safety, the environment and more. Adding to the frenetic pace in the White House has been a series of foreign policy challenges, from Syria and Russia to North Korea. It's likely that the President's national security team and members of Congress will push for more detailed plans to address these foreign policy challenges going forward.

Cabinet Appointees Status

Department	Nominee	Committee Confirmation	Floor Confirmation
State	Rex Tillerson	Jan 23	Feb 1
Treasury	Steven Mnuchin	Feb 1	Feb 13
Defense	Gen. James Mattis (ret.)	Jan 18	Jan 20
Attorney General	Former AL Sen. Jeff Sessions	Feb 1	Feb 8
Interior	MT Rep. Ryan Zinke	Jan 31	Mar 1
Agriculture	Former GA Gov. Sonny Perdue	March 30	
Commerce	Wilbur Ross	Jan 24	Feb 27
Labor	Alexander Acosta	March 30	
Housing & Human Services	Former GA Rep Tom Price	Feb 1	Feb 10
Housing & Urban Dev.	Dr. Ben Carson	Jan 24	Mar 2
Energy	Former TX Gov. Rick Perry	Jan 31	Mar 2
Transportation	Elaine Chao	Jan 24	Jan 31
Education	Betsy DeVos	Jan 31	Feb 7
Veterans Affairs	David Shulkin	Feb 7	Feb 13
Homeland Security	Gen John Kelly (ret.)	n/a	Jan 20
EPA	Scott Pruitt	Feb 2	Feb 17
Small Business Admin.	Linda McMahon	Jan 31	Feb 14
CIA	Former KS Rep. Mike Pompeo	Jan 23	Jan 23
National Intelligence	Former IN Sen. Dan Coats	Feb 28	Mar 15
UN Ambassador	Former SC Gov. Nikki Haley	Jan 23	Jan 24
Office of Mgmt. & Budget	Former SC Rep. Mick Mulvaney	Feb 2	Feb 16
Trade Representative	Robert Lighthizer	TBD	

Budget and Appropriations

Budget Resolutions & Reconciliation – Rumblings about potential action on health care continue to circulate as Speaker Paul Ryan and others still hope to take action under the FY17 budget resolution that lays out reconciliation instructions to repeal and replace the ACA. Repeal and replace is widely expected to generate savings that could then be used to offset tax cuts later this year, and the reconciliation instructions that allow the Senate to bypass the filibuster are central to passing the bill and achieving those savings. Once a FY18 budget resolution is passed, it will wipe out the FY17 resolution and the health care reconciliation language.

FY17 Appropriations – When Congress returns to DC from its two-week district work period on April 24, lawmakers will have five days to act on legislation to keep the government from shutting down, either by passing another temporary budget based on FY16 funding levels or a “real” FY17 spending plan based on former President Barak Obama’s last budget request. House and Senate negotiators are close to a deal that actually would increase spending through the end of this year despite efforts by the Trump Administration to reduce spending in FY17 and shift some resources to high-priority objectives like building a wall along the southern border. Moderate Republicans – especially those on the House and Senate Appropriations Committees – have so far killed efforts by the Administration to cut or shift funding this year because it would come at the expense of safety net programs.

FY18 Appropriations – With respect to the FY18 budget, the Trump Administration released a so-called “skinny budget” or preview of its budget request last month that called for a \$52 billion increase in defense spending and a \$51 billion decrease in non-defense discretionary spending. The proposal outlined several programs targeted for significant cuts or total elimination. The full budget submission is not expected until mid-May at which point the appropriations committees are expected to begin their FY18 work in earnest.

Transportation and Infrastructure

In late March, US Department of Transportation (US DOT) Secretary Elaine Chao announced that the Trump Administration plans to roll out its plans for an infrastructure package by the end of the year. The plan is expected to invest \$1 trillion over 10 years in transportation infrastructure as well as energy, water, broadband and perhaps veteran’s hospitals. There are few details about how the package would be funded, although the Administration has indicated that it will include incentives for public-private partnerships. It is likely that an infrastructure package will be linked with tax reform efforts, although it’s not clear how that timing could impact the rollout of a plan and ultimately, its chances for success.

Tax and Finance

Along with repealing and replacing the ACA and investing in infrastructure, the other major goal for the first year of the Trump Administration is passing tax reform. It’s expected that action on tax reform will be undertaken via the reconciliation process to avoid the possibility of a filibuster by Senate Democrats. Congress will need to pass a FY18 budget resolution that includes reconciliation instructions that direct the committees of jurisdiction to develop tax reform proposals for consideration. To date, the House’s Border Adjustment Tax (BAT) proposal is the only detailed proposal to be released. The BAT, which would tax imports, is estimated to generate enough revenue to offset corporate, and perhaps personal tax cuts, is already facing intra-party opposition. The soft deadline for action on tax reform was to finish before the August Congressional recess, but White House officials are indicating that it could slip to later in the year.

Energy and Environment

The Administration is standing firm on its proposal to cut one-third of the funding for the Environmental Protection Agency (EPA) in FY18. Earlier this month, an internal EPA document detailing proposed cuts to EPA programs became accessible to the public. The document outlined a range of programs that could be eliminated to reach the 31% total reduction requested by the Administration. Regionally, funding for the cleanup and protection of Puget Sound is completely zeroed out, and the Superfund program which is used to clean-up contaminated sites, like the Lower Duwamish River, is targeted for a 30% reduction.

In addition, President Trump signed an executive order aimed at rolling back the Clean Power Plan and other clean air and water rules. While these changes are likely to take years to implement through the regulatory process and will certainly face legal challenges, they are a signal that President Trump is sticking to his guns on regulatory rollbacks. Another executive order targets the controversial Waters of the US rule that expanded EPA and the US Army Corps of Engineers' jurisdiction over waterways. The rule, commonly referred to as WOTUS has faced opposition from municipalities concerned about the impacts to local oversight and decision-making as well as businesses and agriculture.

Homelessness/Housing and Public Health

As the FY18 (and FY17 in the very near-term) appropriations process unfolds, the future of housing and public health programs will become much more clear. The “skinny budget” outline proposed by President Trump includes dramatic cuts to many safety net programs and program funding options for states and municipalities. Ultimately, Congressional leadership and appropriators will be making decisions about those programs.

Opioid Crisis – President Trump signed an executive order initiating a White House commission on the opioid crisis and drug treatment. The President's Commission on Combating Drug Addiction and the Opioid Crisis is headed by New Jersey Governor Chris Christie with Attorney General Jeff Sessions and Veteran's Affairs Secretary John Shulkin, among others participating. The Commission will be tasked with outlining recommendations and federal resources to tackle the crisis.

Immigration and Public Safety

The White House continues to signal a dramatic shift away from Obama Administration immigration policies through executive action (regarding the border wall, sanctuary cities and the travel ban) and remarks from Administration officials, including Attorney General Jeff Sessions. President Trump is also seeking \$3 billion in supplemental FY17 funding to begin the process of building the border wall. Congressional Democrats have vowed to oppose funding for the wall in the FY17 CR or omnibus, setting up showdown over the controversial proposal in the coming weeks.

Much remains to be seen regarding the Administration's implementation of the Order pertaining to so-called “sanctuary” jurisdictions. While the term “sanctuary city” has been nebulous among lawmakers, the Executive Order refers to them as jurisdictions that “willfully refuse to comply” with 8 U.S.C. 1373, which prohibits cities and localities from promulgating policies that restrict local law enforcement from sharing information with the Immigration and Naturalization Service (INS) pertaining to an individual's immigration or citizenship status. “Sanctuary” jurisdictions could be impacted under the executive order by being blocked from eligibility for Department of Justice (DOJ) grants and/or the Attorney General's authority to take “appropriate enforcement action” against jurisdictions who have already received DOJ grants.

To date, neither the White House nor the Department of Justice have issued substantive guidance on how this new policy will be implemented and enforced. Jurisdictions – including the City of Seattle – have already filed lawsuits against the Administration on the grounds that the Order violates well-established federal law and constitutional jurisprudence.

OPTIONS

N/A

RECOMMENDATION

N/A

ATTACHMENTS

N/A

AVAILABLE IN COUNCIL DOCUMENT LIBRARY

N/A