

CITY COUNCIL STUDY SESSION**Federal Legislative Update**

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City Manager's Office

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**

Spring is a very busy time in Washington, DC. Legislatively, a great deal of work is underway and planned for the coming months. House and Senate leaders are largely in agreement on some major legislative priorities such as moving FY 2020 appropriations, seeking a way forward on an infrastructure package, immigration and addressing the National Flood Insurance Program. While there's broad general agreement that these are priority issues, the devil is always in the details and a huge amount of work (and compromise) still needs to be done to produce successful agreements. The foundation for negotiations on these and many other issues began in early April and will begin in earnest once Congress returns from its Easter recess.

The House's upcoming agenda will also include action on keeping the U.S. in the Paris Agreement on climate change (HR 9), the so-called Equality Act (HR 5) to ban discrimination on the basis of sexual orientation and gender identity at work and in public facilities, efforts to shore up the Affordable Care Act and rising drug prices, and disaster relief funding.

Senate Majority Leader Mitch McConnell (R-KY) has stated the Senate chamber will also prioritize judicial and cabinet nominations, the National Defense Authorization Act and reauthorization of the Terrorism Risk Insurance Act. Senator McConnell said he hopes to reach "breakthroughs" on immigration, infrastructure and budget caps.

BUDGET and APPROPRIATION

Congress is fully focused on FY 2020 funding. The President kicked-off the budget season with the release of his budget proposal in March. This proposal serves primarily as the President's opening bit

in spending negotiations with Congress. The President's budget proposes a 9% reduction in non-defense discretionary funding, an increase in defense spending and would add \$8.6 billion for building a border wall. As has become a tradition on Capitol Hill, Congress has regarded the President's budget as 'dead on arrival'.

While Congress may choose to ignore parts or all of the President's budget proposal, it does need to confront the need for a congressional budget agreement to set top-line numbers for appropriators and avoid the deep spending cuts required in FY 2020 by the Budget Control Act of 2011 (sequestration). Over the last month, House and Senate Budget Committees have been wrestling with negotiations within their own chambers on budget cap numbers.

Senator Enzi (R-WY), Chairman of the Senate Budget Committee, released his proposed budget resolution on March 22, which generally reflects the President's spending cuts and the spending cap levels set under the Budget Control Act. House Budget Chairman John Yarmuth (D-KY) released a budget bill in early April that increases the defense discretionary spending cap by \$17 billion over FY 2019 and the nondefense discretionary cap \$34 billion over FY 2019. The bill does not address non-discretionary funding so falls short of being a full budget resolution. Even with a limited bill, Representative Yarmuth and Appropriations Chairwoman Nita Lowey (D-NY) had to push back attempts by progressives who support bigger increases in domestic spending.

Once Congress returns from the Easter Recess a deal on the budget caps will be a top priority. Senate Majority Leader McConnell told reporters last week that talks have begun among his staff, House Speaker Nancy Pelosi's (D-CA) staff and the White House on a two-year deal on budget caps to clear a path for appropriations. Without a new spending caps deal, the FY 2020 levels would be \$125.7 billion less than this year's caps, as required under the Budget Control Act. Alternatively, House and Senate Appropriators could develop appropriations bills with vastly different budget caps, setting up major challenges to reaching agreement in a conference committee over appropriations bills.

The federal debt limit also looms on the horizon but Treasury estimates it is not essential to address it until this fall. Congress will wait as long as possible before taking action as any debate related to increasing the debt limit will be complicated and extremely political.

OTHER POLICY UPDATES

Infrastructure

The prospect of a major infrastructure package has been discussed for years. The sticking point has been and continues to be how to pay for it. Last year, the White House released an outline of a \$1.5 trillion infrastructure package. The proposal would invest \$200 billion in federal funding to leverage \$1.3 trillion in state, local and private dollars for infrastructure projects across the country. The proposal fell flat in Congress because it lacked concrete funding sources for the \$200 billion federal share of the proposal.

This time around a package will be initiated in the House. Rep. Defazio (D-OR), Chair of the House Transportation and Infrastructure Committee, has been saying since last fall that he is committed to producing a package and has been gearing up to do so. After their recent legislative retreat, congressional Democratic leaders announced they are laying the groundwork for a broad \$2 trillion infrastructure package and they are hoping to make it a bipartisan push with a House vote possible by June or July. House Speaker Nancy Pelosi (D-CA) and Senate Minority Leader Chuck Schumer (D-NY) also announced they are scheduled to meet with President Trump in the coming weeks to discuss an infrastructure package.

While House Democrats are focused on developing a package to meet wide-ranging infrastructure needs, Senate Environment and Public Works Chairman John Barrasso's (R-WY) focus is on reauthorization of the FAST Act—Fixing America's Surface Transportation Act—which is set to expire September 30, 2020. While September 2020 may seem like a long time to work on reauthorizing the Act, the reality is that uncertainty or delays in reauthorization will likely stall highway and transit investments and projects. Reauthorizing the FAST Act is also a major priority for Representative Defazio who has stated that a surface transportation authorization bill is the most important work for his subcommittee. Whether an authorization bill will be considered on its own or part of a larger infrastructure package is yet to be seen.

Telecommunications

On April 12, President Trump noted at a White House press conference that the race to implement 5G is one that America must win. The President also announced that in December, the Federal Communications Commission (FCC) will auction the broadest set of airwaves yet in order to speed the nation's adoption of super-fast 5G wireless communications. The President also announced plans for the Rural Digital Opportunity Fund. The \$20 billion fund would help to connect as many as four million homes over the next decade with money coming from existing subsidy programs run by the FCC. Lawmakers from farm states whose residents do not have good, reliable connections to high-speed internet/wireless have become increasingly vocal about reducing the digital divide between rural and more-populated areas.

While the President has focused on 5G, House Democrats are focused on restoring Net Neutrality rules. Earlier this month, the House passed HR 1644 by a vote of 232-190, that would restore Obama-era net neutrality rules as well as regulations banning internet service providers from blocking or slowing connections based on the source of content. A companion bill has not advanced in the Senate and the President has threatened a veto.

Environment and Climate

The "Green New Deal" proposal has helped launch climate change issues into the national spotlight. Introduced in February, the Green New Deal is a non-binding resolution by Representative Alexandria Ocasio-Cortez (D-NY) and Senator Ed Markey (D-MA) that lays out climate policies to rapidly transition to renewable energy and for the U.S. to achieve net-zero greenhouse gas emissions within 10 years. Representative Pramila Jayapal (D-WA) is a co-sponsor.

The increased attention on the topic of climate change has renewed interest and focus on energy legislation. Several bills in both the House and Senate have been introduced related to climate and emissions reduction. A broad-ranging energy bill could even be considered to take up many of these issues. Congress hasn't passed a broad-ranging energy bill in 12 years and the Democratic-controlled House is eager to address climate change and energy. Over in the Senate, significant support exists among a number of senators to: extend wind and solar tax incentives and add battery storage to that mix; boost funding for research into next-generation energy technologies; and support commercial deployment of carbon capture technology.

Recently, the Senate Energy Committee held hearings on energy efficiency and renewable energy mandates with more hearings planned by the committee. Senator Lisa Murkowski (R- AK) and Senator Manchin (D-WV), the Chair and Ranking Member of the Senate Energy Committee are working to engage responsibly on climate change. Senator Murkowski is unlikely to unveil energy legislation until July at the earliest.

Health Care

In March, the Justice Department asked a federal appeals court to invalidate the Affordable Care Act (ACA). In response, Representative Nancy Pelosi, Speaker of the House, announced that the House would intensify its focus on health care. House Democrats are planning to move several bills to the floor that would bolster the ACA, including proposals to create a \$200 million reinsurance program and to offer federal money to states to set up their own insurance exchanges, expand the ACA's tax credits and protect access for people with pre-existing conditions.

Immigration

The challenges around immigration issues hasn't changed much – President Trump continues to campaign for a wall at the southern border and has proposed actions to stem the tide of immigrants coming into the U.S. on the southern border. One recent proposal is to send asylum seekers to 'sanctuary cities' some of which are located in the congressional districts of his political opponents.

The biggest development in recent weeks has come from Senate Majority Leader McConnell who opened the door to some possible solutions for the immigration debate. Senator McConnell said recently that it's time for a bipartisan group to attempt to address many of the issues around immigration policy. He pointed to asylum laws that are not working well given the large number of people coming to the U.S. seeking asylum. He did not rule out including some priorities of the Democrats such as legislation to resolve the plight of undocumented immigrants brought to the U.S. as children—or "Dreamers".

POLICY & FISCAL IMPACTS

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OPTIONS

N/A

ATTACHMENTS & AVAILABLE DOCUMENTS

N/A

AVAILABLE IN COUNCIL LIBRARY

N/A