

**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**

NA

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

This is a critical time as meetings between the White House and congressional leaders will help determine if agreements might be possible on two of the year's biggest priorities, funding the government to avoid another government shutdown and agreement on an infrastructure package. Congress is also eager to reach agreement and pass a disaster aid package before adjourning for the Memorial Day recess.

Activity level and tensions in Washington, DC, have been extremely high this past month. DC is always consumed with election politics. This year it is especially tense with a record number of Democrats now announced as contenders for their party's presidential nomination, several of whom are sitting Members of Congress. There are currently 23 Democrats officially in the race.

Investigations of the sitting President also have remained squarely in the spotlight with the ongoing coverage and congressional activities surrounding the Mueller Report and other investigations. Concerns and issues surrounding international trade and security matters (e.g. trade talks with China, security concerns related to Iran) are also front and center.

Despite the political distractions and major concerns surrounding trade and security, "bread and butter" legislative issues have been moving forward at a relatively fast clip, some with bi-partisan agreement at the macro level. In Congress, a flood of activity and legislation has been moving on several fronts, in particular on budget and appropriations matters, infrastructure, climate change, disaster aid and health care.

House Democrats, who took control of the House in January, are working aggressively to get appropriations bills done by the end of June. In addition to pushing her party's agenda on climate

change, health care, etc., Speaker Nancy Pelosi (D-CA), wants to demonstrate she can lead and get things done. Avoiding another government shutdown is at the top of her list. Senate Republican leaders continue to pursue an aggressive agenda to get nominees confirmed and announced that appropriations bills will start being released from the Senate Appropriations Committee in June.

## **BUDGET AND APPROPRIATIONS**

After a record 35-day government shut-down earlier this year, everyone in DC is working to avoid another government shut-down that might delay the FY 2020 appropriations process. One of the challenges has been the absence of a budget agreement to set top-line appropriation numbers. Without a new spending cap deal, the FY 2020 levels would be \$125.7 billion less than this year's cap, as required under the Budget Control Act of 2011. Alternatively, House and Senate Appropriators could develop appropriations bills with vastly different budget caps, setting up major challenges to reaching agreement in conference committees over appropriations bills.

The Republican controlled Senate passed a Budget Resolution in March that largely reflects numbers from the Budget Control Act and the President's budget. House Budget Chairman, John Yarmuth (D-KY), failed to reach a deal with progressive members of his committee. Not wanting to delay the appropriations process or miss the opportunity to set out their funding priorities, House Democratic Leadership and Appropriations Chairwoman Nita Lowey (D-NY) moved to approve allocations for all 12 House spending measures. House consideration of appropriations bills was then able to move ahead in earnest. The goal of House leadership to complete House consideration of appropriations bills by the end of June.

Thus far, the House Appropriations Committee has taken action on the following appropriations bills: Commerce-Justice-Science (CJS); Defense; Energy and Water; Interior; Labor, Health and Human Services and Education; Legislative Branch; Military Construction; and State-Foreign Operations. The House Appropriation Committee will soon take up the Transportation and Agriculture Appropriations bills. Highlights from House Appropriations bills include:

- Major increases to Labor, Health and Human Services, and Education Programs -- A top priority for House Democrats is increasing funding for the Labor, Health and Human Services Education Appropriations bill. House Democrats moved out this bill first, providing \$189.8 billion in discretionary funding in FY 2020, an \$11.7 billion increase over FY 2019-enacted levels and \$47.8 billion more than the President's budget request.
- The State-Foreign Operations bill includes language barring the US from withdrawing from the Paris Climate Accord and allows contributions to the Green Climate Fund, which provides funding for developing nations to adapt to climate change.
- The Commerce-Justice-Science bill increases funding by \$9.8 billion over FY 2019 levels and includes language that bars the Census Bureau from including a question about citizenship status in the upcoming census.

- The Energy and Water bill increases funding by \$1.8 billion from FY 2019 levels and prioritizes many environmental programs and rejects several White House proposals, including the proposal to eliminate the Advance Research Projects Agency-Energy.
- The Interior bill is funded at \$37.3 billion, providing increased funds for the Department of the Interior, the Environmental Protection Agency (EPA) and the National Park Service.

Avoiding another government shutdown is also a top priority for Senate Republicans. Senate Appropriations Chairman Richard Shelby (R-AL) announced in March that the Senate will likely 'bundle' appropriations packages together as they have done in the past to move them through the Senate. The first bill the Senate Appropriations Committee is expected to take up in early June is the Labor, Health and Human Services bill.

The President laid out his funding and policy priorities in his budget request and now the House Democrats are laying out their priorities. The Senate will ultimately play the role of "broker" to bring the two sides together to reach agreement on bills that can pass Congress and avoid a presidential veto. Recently, the federal budget process received a boost when President Trump, after leaving a meeting with Senate Majority Leader Mitch McConnell (R-KY), signaled he would be open to working out a deal with Democrats to raise the budget caps.

## **OTHER POLICY UPDATES**

### **Infrastructure**

In early May, President Trump and Democratic congressional leaders met about the possibility of developing an infrastructure package. The meeting was more positive and constructive than many had expected with agreement on a broad \$2 trillion package that would include roads, bridges, harbor projects, broadband, etc. What was not discussed at the meeting was how the package would be paid for. That was to be the topic of conversation for the follow-up meeting between the President and congressional leaders, where the President was expected to lay out his funding proposals. However, last week, the meeting between the President and congressional leaders ended abruptly over political differences.

The "how to pay for" has always been the sticking point of infrastructure package proposals and it quickly became clear that there is a long way to go to get consensus on this package. The back and forth rhetoric between Republican and Democratic leaders on the how to pay issue following the White House infrastructure meeting exposed the gulf between the two branches of government and quickly diminished the optimism that came from the earlier meeting. Prospects are not good for agreement on this issue in the near future.

### **Health Care**

In March, the Justice Department asked a federal appeals court to invalidate the Affordable Care Act (ACA). This came as a surprise to congressional Republicans and Speaker Pelosi immediately announced that the House would intensify its focus on health care. House Democrats have begun to push several bills to the floor to bolster the ACA, including proposals contained in the Labor-HHS

Appropriations bill, proposals to create a \$200 million reinsurance program, funds to let states set up their own insurance exchanges, expand the ACA's tax credits, and protect access for people with pre-existing conditions, among other ideas.

### Medicare for All

Some proposals like Rep. Pramila Jayapal's (D-WA) "Medicare for All" bill (which also includes 106 Democratic co-sponsors) (HR 1384) go beyond the ACA's coverage to propose the transformation of Medicare into a universal health care program. On April 30, the House held a hearing on her Medicare for All bill. The hearing was the first time that a congressional panel has examined single-payer health care legislation. The House Budget Committee intends to hold a follow-up hearing on the "Key Design Components and Considerations for Establishing a Single-Payer Health Care System."

### Pandemic Preparedness

The Pandemic and All-Hazards Preparedness Act (PAHPA) was enacted in 2006 and reauthorized in 2013 to establish and maintain a framework to prepare for and respond to public health threats that may result in a public health emergency. The authorizing legislation was stalled in the last Congress because of a "hold" put on the bill by Senator Richard Burr (R-NC) who opposed user fees that would be created under the reauthorization measure. Senator Burr and Senator Edward Kennedy (D-MA) spearheaded the original legislation.

In January, Rep. Anna Eshoo (D-CA) reintroduced the measure (HR 269) and it passed the House the same day by a vote of 401-17. However, it failed to receive action in the Senate until recently. Earlier this month an agreement was reached with Senator Burr and Senate bill S. 1397 was introduced and quickly passed out of the Senate May 16 by voice vote. Senator Burr was the bill sponsor, and co-sponsors are Senator Patty Murray, Ranking Member of HELP Committee; Senator Lamar Alexander (R-TN), Chair of the HELP Committee; and Senator Bob Casey (D-PA).

### **Disaster Aid Bill/National Flood Insurance Program Extension**

For months a disaster aid bill has been stalled in Congress over the President's objections to the amount of funding that would be provided to Puerto Rico, which he claims has misused past funds. Lawmakers hoped to pass an agreement that would address humanitarian needs at the southern border, fund recovery efforts in areas affected by hurricanes, wildfires and floods since 2017 and extend the National Flood Insurance Program through September 30. The National Flood Insurance Program is set to expire May 31. The extension would provide lawmakers additional time to work toward a long-term reauthorization and reforms. Lawmakers were positive about their ability to move the legislation through both chambers before departing for the Memorial Day recess.

### **Tax**

On May 15, Rep. Dutch Ruppersberger (D-MD), Chair of the Municipal Finance Caucus, and Rep. Steve Stivers (R-OH) introduced a bill to reinstate the federal tax break for bonds that state and local governments use to refinance and restructure debt. The bill (HR 2772) was introduced with eight co-sponsors, including Rep. Derek Kilmer (D-WA). The tax exemption for interest earned on "advance refunding" bonds was eliminated by the 2017 federal tax overhaul. This change was opposed by

several state and local government groups including many in Washington State. HR 2772 has been referred to the House Committee on Ways and Means. There is currently no Senate companion bill.

### **Energy/Climate**

Climate and energy efficiency issues continue to receive attention in Congress. On May 2, the House passed a bill (HR 9) that prohibits the US from exiting the Paris Climate Agreement. Similar language was also included in the House State-Foreign Operations Appropriations bill. Three Republicans voted with Democrats to pass HR 9 by a 231-190 margin. The Senate is not expected to take up the measure.

Several hearings in both the House and Senate have occurred covering topics ranging from renewables and energy efficiency to the potential of carbon capture technology, to the impacts of climate change on public health and the agriculture community.

Bills in both the House and Senate have been introduced by Republicans and Democrats related to climate and emissions reduction proposals. One of the latest packages is a proposal by House and Senate Democrats that would set a national clean energy standard requiring the US power sector to achieve net zero carbon emissions by 2050. Republican proposals have approached the issue more through private sector innovation and tax incentives. For example, significant backing exists among a number of senators to extend wind and solar tax incentives and add battery energy storage to that mix; boost funding for research into next-generation energy technologies; support commercial deployment of carbon capture technology; etc.

### **POLICY & FISCAL IMPACTS**

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### **OPTIONS**

N/A

### **ATTACHMENTS & AVAILABLE DOCUMENTS**

N/A

### **AVAILABLE IN COUNCIL LIBRARY**

N/A