

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

NA

BACKGROUND & ANALYSIS**D.C. Big Picture**

Congress is in recess this week after spending the last several weeks working on another significant COVID-19 pandemic response package, the House of Representatives voting 232-197 to impeach former President Donald Trump and conducting an impeachment trial in the Senate. These actions and other issues are summarized below as well as a look ahead to the possibility of an infrastructure package and the possible return of congressional earmarks.

Impeachment

The Senate concluded the second impeachment trial of the former president on a 57-43 vote, falling short of the two-thirds majority needed to convict. Seven Republicans joined with Democrats but the chamber failed to reach the 2/3rd majority needed for a conviction. The article of impeachment accused the former president of inciting an insurrection against the government of the United States. Senate Republicans voting to acquit primarily argued it is unconstitutional to convict a president who is no longer in office.

COVID-19 Package #5

On January 14, President Joe Biden outlined a \$1.9 trillion COVID-19 response plan calling for \$350 billion in aid for state and local governments, additional direct financial assistance payments to individuals, assistance to small businesses, funding for vaccines, school re-openings and transit, among other things. The proposal also extends several COVID-19 relief measures set to expire in mid-March, including supplemental unemployment benefits and the moratorium on evictions.

House and Senate Democrat leaders pushed through a Budget Resolution (H. Con. Res. 11) to pave the way for passage of legislation via the Budget Reconciliation process to enact President Biden's proposal with a simple majority vote. Budget Reconciliation is a legislative tool that allows the Senate

to get around the 60-vote requirement to avoid a potential filibuster. The adopted Budget Resolution allows Congress to increase the deficit by \$1.9 trillion over 10 years.

The House is working with several committees on legislative proposals for additional COVID-19 relief. The House will compile all the COVID-19 response titles completed by the various committees into one package and is expected to begin floor consideration the week of February 22. The House bill will then need to be reconciled with the Senate bill before a final package will be ready for the President's consideration. Some of the proposals will face challenges in each chamber including the size of the proposed package and the caps on income levels to receive relief checks and the proposed \$15 per hour minimum wage. Mid-March is the target date for enacting the next COVID-19 relief package to get ahead of the March 14 expiration date of some provisions in previous relief packages.

A summary of some of the COVID-19 relief provisions contained in House or Senate bills that may be of interest to the City include the following:

- State and local aid: \$350 billion, available until expended.
 - ✓ \$195.3 billion for states and the District of Columbia
 - ✓ \$130.2 billion for local governments divided evenly between cities and counties. \$65.1 billion will be provided to cities using an updated Community Development Block Grant (CDBG) and \$65.1 billion to counties based on population
 - ✓ \$4.5 billion to the territories of the U.S.
 - ✓ \$20 billion to federally recognized Tribal governments
- Federal Emergency Management Agency's (FEMA's) Disaster Relief Fund: \$50 billion for reimbursement to state, local, tribal, and territorial governments dealing with ongoing response and recovery activities from the COVID-19 pandemic, including vaccination efforts, deployment of the National Guard, providing Personal Protective Equipment (PPE) for critical public sector employees, and activities to disinfect public facilities such as schools and courthouses.
- \$1,400 stimulus payments for single individuals earning \$75,000 or less, or married couples earning \$150,000 or less. As noted earlier, the income caps and phase-out formulas are likely to be the subject of continuing debate.
- Child tax credit in the form of a \$300 a month payment for children ages five and under or \$250 a month for those ages six and older starting in July. Democrats are hoping to make the monthly child tax credit payments a permanent annual feature in follow-up legislation.
- Unemployment insurance supplemental payments increased to \$400 per week through August 29.
- \$500 million for drinking water and wastewater assistance.
- \$4.5 billion for home energy assistance through LIHEAP.
- \$7.6 billion for the Emergency Connectivity Fund and requiring the Federal Communications Commission (FCC) to provide support to eligible schools and libraries and to reimburse 100 percent of the costs associated with eligible equipment and services.
- \$30 billion for transit agencies to help assist with operating costs, including payroll and PPE.

- \$8 billion for airports, including \$800 million for airport concessionaires.
- \$3 billion for the Economic Development Administration (EDA) to provide economic adjustment assistance to help prevent, prepare for, and respond to economic injury caused by the COVID-19 pandemic.
- \$3 billion for aerospace manufacturing to provide a temporary payroll support program to retain or rehire workers.
- \$15 billion for airline payroll support to further extend the Payroll Support Program (PSP) through September 30 to fund payroll support for airline workers and related contract workers.
- Vaccine and COVID response:
 - ✓ \$46 billion for COVID-19 testing
 - ✓ \$20 billion to expand COVID-19 vaccine distribution
 - ✓ Funding to support research and the public health workforce
 - ✓ Funding to states to expand Medicaid programs and allow states to demand higher rebates from drug makers. It allows states to extend Medicaid benefits to new mothers for a year, increase the federal share of Medicaid funding for states that expand their programs, and eliminate a cap on Medicaid drug rebates starting in 2023.
- Small business support: \$50 billion.
 - ✓ Expand Paycheck Protection Program (PPP) eligibility and increase program funding
 - ✓ \$15 billion for the Targeted Economic Injury Disaster Loan (EIDL) Advance program
 - ✓ \$25 billion for a new program at the Small Business Administration (SBA) to assist restaurants and other food and beverage establishments
 - ✓ Establish the Community Navigator pilot program to increase awareness of and participation in COVID-19 relief programs
 - ✓ Additional \$1.25 billion for the SBA Shuttered Venue Operators Grant Program
 - ✓ \$840 million for administrative costs to prevent, prepare and respond to the COVID-19 pandemic, including expenses related to PPP
 - ✓ \$460 million for the disaster loan program.
- Nutrition and food supply aid: \$16 billion.
 - ✓ Extends the 15 percent increase in Supplemental Nutrition Assistance Program (SNAP) through September 30
 - ✓ Additional \$37 million to low-income seniors through the Commodity Supplemental Assistance Program
 - ✓ \$3.6 billion to help the food and agriculture sector supply chains and working with restaurants and farmers.
- Housing Assistance
 - ✓ \$19.05 billion for emergency rental and utility assistance that would be allocated to states, territories, counties, and cities within 60 days of enactment
 - ✓ \$5 billion for emergency Housing Choice Vouchers to transition people experiencing or at risk of homelessness, survivors of domestic violence, and victims of human trafficking to stable housing

- ✓ \$100 million in funding for NeighborWorks to support housing counseling services
- ✓ \$5 billion to be distributed via the HOME program formula to enable state and local governments to finance supportive services, affordable housing, and the acquisition of non-congregate shelter model (such as using hotels)
- ✓ \$9.961 billion to states, territories, and tribes to address the ongoing needs of homeowners to provide direct assistance with mortgage payments, property taxes, property insurance, utilities, and other housing related costs.

Infrastructure

Infrastructure is expected to take center stage once the next COVID-19 response measure is enacted by Congress and approved by the President. President Biden is in talks with key members of Congress to put forward a proposal to repair, rebuild, replace, and improve the nation's infrastructure. It is expected that the Biden White House will develop an infrastructure proposal similar to those discussed during the campaign and the framework of the Moving Forward Act (HR 2) passed by the House last year. Members of both parties are talking positively about the prospect of finding common ground to move an infrastructure bill.

There is considerable pent up demand for a broad package of infrastructure improvements and there is a sense of urgency given that the FAST Act expires at the end of September and congressional action is necessary. We've been here before, but the sense of urgency, make-up of Congress and push from the White House has introduced a renewed energy to the effort. The FAST Act (Fixing America's Surface Transportation Act) also expires at the end of September and congressional action on surface transportation programs is a necessity.

Big Question—The Return of Earmarks?

Representative Rosa DeLauro (D-CT) and Senator Patrick Leahy (D-VT), chairs of the House and Senate Appropriations Committees, are proposing to reinstate the limited use of earmarks in next fiscal year's spending bills. Earmarks are "member-directed" funding instructions in appropriations bills. Republicans led the effort that banned the use of earmarks in 2011 when they took control of the House after years of controversy surrounding the use (and abuse) of earmarked spending. Representative DeLauro and Senator Leahy would likely place a limit on earmarks to state and local governments and nonprofits that carry out quasi-government functions. Funding amounts, recipients, etc., would likely be required to be disclosed. Although there have been several calls to bring back limited use of earmarks, it remains uncertain if a bi-partisan agreement can be reached as some Republicans have expressed opposition to this appropriations tool.

POLICY & FISCAL IMPACTS

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OPTIONS

N/A

ATTACHMENTS & AVAILABLE DOCUMENTS

N/A

AVAILABLE IN COUNCIL LIBRARY

N/A