

Washington Update

COUNTY OF SANTA BARBARA

FEBRUARY 26, 2018

FY 2019 BUDGET REQUEST

On February 12, President Trump released his FY 2019 budget request providing a broad outline of his proposals for funding all Federal agencies, and we distributed relevant sections of the document to the County for review of potential impacts. The Budget proposes \$4.41 trillion in spending for FY 2019 and assumes \$3 trillion in spending cuts over the next 10 years, including \$1.66 trillion in cuts to mandatory entitlement programs. It also requests \$200 billion in new infrastructure spending in the form of grants designed to leverage up to \$1.5 trillion in non-federal funding.

While impacts on specific agencies would vary widely, many programs of significance to the County would face deep cuts or elimination. Included in the latter category are programs ranging from housing assistance programs such as CDBG and the Low Income Home Energy Assistance Program (LIHEAP), to public safety programs such as SCAAP, to National Infrastructure Investments (TIGER) grants.

The spending reductions in the budget proposal are being widely criticized in Congress, with concerns being raised by key members of the House and Senate Appropriations Committees. Binding decisions will not be made until Congressional deliberations begin on the FY 2019 appropriations bills later this year, and we have begun contacting the respective appropriations subcommittees and members of the local Congressional delegation to lobby in support of the County's funding priorities.

BIPARTISAN BUDGET AGREEMENT

After a brief Federal government shut-down due to the expiration of short-term funding legislation, the House and Senate voted on February 9 to extend the Continuing Resolution until March 23 and increase Federal spending caps by \$300 billion over the next two years. Although most of the nondefense discretionary spending authorized by the deal will still need

to be allocated by the Appropriations Committees, the budget agreement included commitments to fund certain specific programs. These included:

- \$3 billion for combatting opioid abuse in each of FY 2018 and FY 2019;
- \$4 billion to reduce the VA healthcare maintenance backlog; and,
- \$20 billion for a broad range of infrastructure programs.

DISASTER FUNDING

Before adjourning at the end of 2017, the House passed legislation to provide \$81 billion in emergency supplemental appropriations for disaster assistance. We have continued to work with Senators Feinstein and Harris to address the County's recovery needs in the Senate version of the bill, and to ensure maximum eligibility for the County for the supplemental funding, particularly in light of the January 9 mudslides.

The Senate version of the supplemental appropriations bill was amended into the Bipartisan Budget Agreement signed into law on February 9, and includes \$89 billion for disaster assistance for last year's hurricanes and the California wildfires. Some of the major programs funded in the supplemental measure include:

- \$23.5 billion for FEMA's Disaster Relief Fund;
- \$28 billion for HUD's Community Development Fund;
- \$941 million for NRCS Conservation Programs;
- \$1.65 billion for SBA Disaster Loans; and
- \$17.39 billion for the Army Corps of Engineers.

In addition, the agreement increases the federal share for debris removal projects associated with the 2017 wildfire disaster declaration to 90 percent.

IMMIGRATION REFORM - DACA

We contacted the House and Senate leadership, the committees of jurisdiction, and the local Congressional delegation to reiterate your Board's support for immigration reform and the Deferred Action for Arrivals (DACA) Program in advance of the Senate's February 14-15 debate on the issue. The need for a DACA fix was a central issue in the recent budget stalemate, and Senate Majority Leader McConnell (R-KY) allowed related legislation to be debated by the full Senate as part of a deal to keep the Federal government open.

During the Senate floor debate, three proposals were offered that would have offered a path to citizenship for Dreamers in return for border security improvements, but none reached the 60-vote threshold needed to overcome procedural roadblocks. An amendment offered by Senators Rounds, (R-S.C.) and King, (I-ME) would have offered a 12-year path to citizenship for Dreamers and set aside \$25 billion for the U.S.-Mexico border wall and secured the most votes at 54.

In the House, Speaker Ryan's (R-WI) plan to schedule a vote on Judiciary Committee Chairman Goodlatte's (R-VA) H.R. 4760, the *Securing America's Future Act*, has been delayed because it is apparent that a majority cannot be secured. Meanwhile the rulings by two federal district courts to prevent the government from ending DACA have had the effect of easing the March 5 deadline set by the President for legislative action. On February 26, the U.S. Supreme Court rejected the Administration's request to immediately take up the DACA issue, leaving it to continue to work its way through the lower courts, and leaving the program intact for the time being.

FOSTER CARE – THE FAMILY FIRST PREVENTION SERVICES ACT

In a very controversial move, Senate Leaders used the bipartisan budget agreement as a legislative vehicle to enact the *Family First Prevention Services Act*, to amend Title IV of the Social Security Act to invest in funding prevention and family services. When this legislation was considered by the Senate in 2016, CWDA, CSAC, and the California Department of Social Services successfully opposed the bill, citing provisions regarding congregate care that would have conflicted with efforts under way in California. The bill was reintroduced in the House this year as H.R. 253, but without a Senate companion. There have been no committee actions on the proposal in either the House or Senate this year, which ordinarily would have precluded it from being included in the budget package. CWDA, CSAC and CA DSS opposed the legislation on both procedural and policy grounds.

FEDERAL HEALTH CARE PROGRAMS

Several lingering health care issues of importance to the County were also addressed in the recently enacted budget agreement. These are issues that we have advocated in coordination with NACo and other stakeholders over the last several months, and include:

- An extension of the Children's Health Insurance Program through fiscal year 2027, which adds to the six-year extension that was already included in the previous Continuing Resolution that was approved in January; and
- A two-year funding extension for Federally Qualified Health Centers (FQHCs)