



Federal Policy and Legislative Update



Southwest Region Economic Development
Association

July 28, 2017

Presentation Overview

- Budget Action
- Appropriations
- Congressional To-Do List
- Notable Administration Actions
- NADO Advocacy Efforts



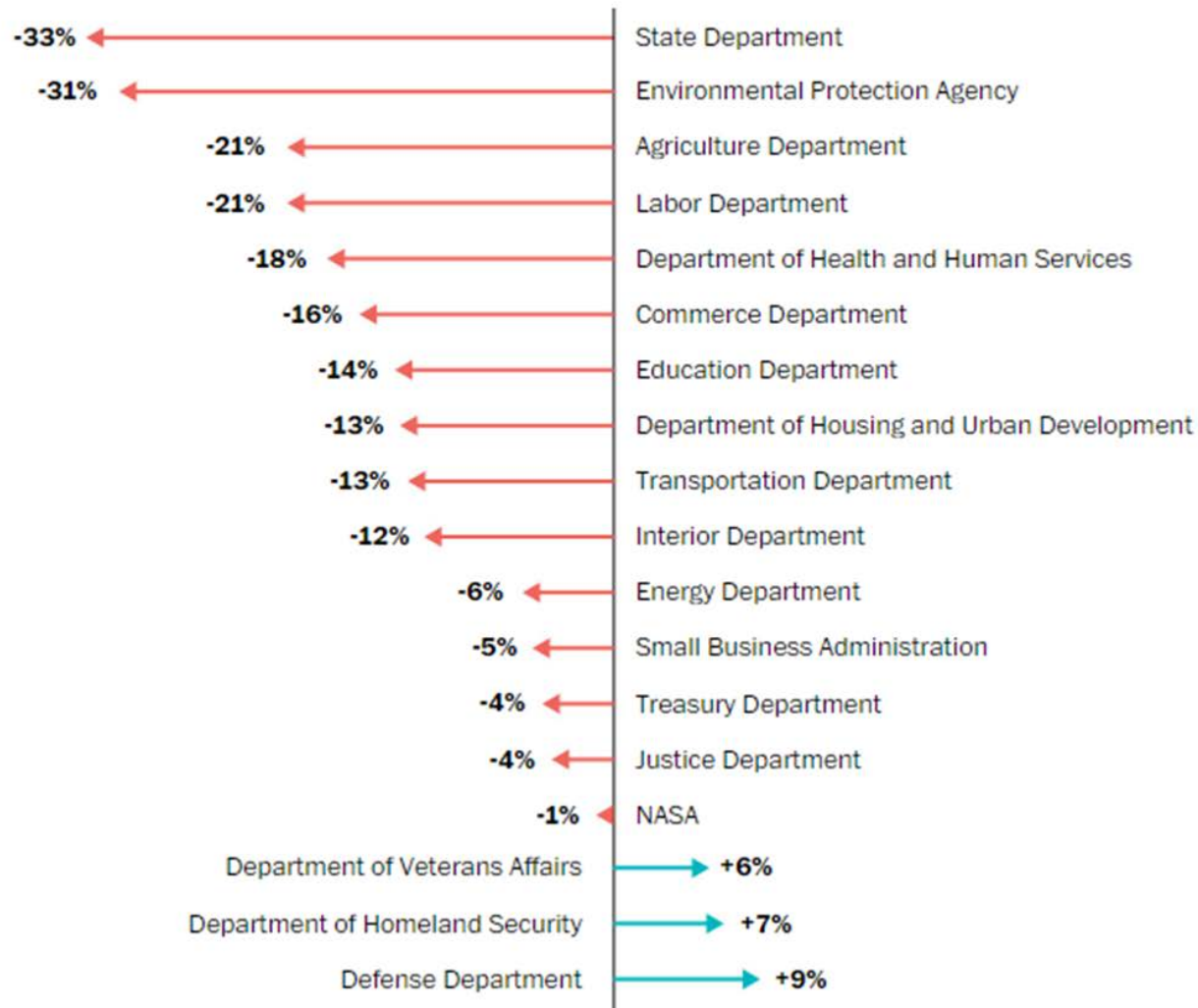
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President's FY2018 Budget: Overview

- President's FY2018 Budget was released on May 23
- Proposes **\$4.1T** in federal spending for FY2018, same overall spending level as FY2017
- **\$668b** for defense discretionary spending (**\$22b** above the limit set by the 2011 Budget Control Act)
- **\$479b** for non-defense discretionary spending (**\$57b** below the 2011 BCA cap)
- Domestic discretionary savings made up of **\$27b** in program eliminations and **\$30b** in reductions



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Source: Washington Post



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President's FY2018 Budget

- Shift of federal programs and functions to state and local governments and the private sector
- **Agencies Slated for Elimination**
 - U.S. Economic Development Administration
 - Appalachian Regional Commission
 - Delta Regional Authority
 - Denali Commission
 - Northern Border Regional Commission
 - U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) Program and HOME Investment Partnerships Program
 - U.S. Department of Agriculture's Water and Wastewater loan and grant program and discretionary activities of the Rural Business Cooperative Service
 - U.S. Department of Transportation's TIGER Discretionary Grant Program



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President's FY2018 Budget

➤ Agencies Slated for Elimination, cont.

- U.S. Department of Transportation's Essential Air Service Program
- U.S. Department of Transportation's Capitol Investment Grants Program (New Starts)
- U.S. Department of Labor's Senior Community Employment Program
- Federal Emergency Management Agency's Flood Hazard Mapping Program
- U.S. Department of Treasury's Community Development Financial Institutions (CDFI) Fund (new grants)
- U.S. Environmental Protection Agency categorized grants
- U.S. Department of Commerce's Manufacturing Extension Partnership
- National Endowment for the Arts
- National Endowment for the Humanities



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FY2018 Budget Action in Congress

- Statutory deadline to pass a budget resolution was April 15
- House budget resolution proposal: **\$621.5b** for defense; **\$511b** for domestic
- House budget resolution also mandates a **\$150b** cut in mandatory spending over 10 years
- Includes reconciliation instructions for tax overhaul



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FY2018 Budget Action in Congress

Figures are in billions	FY2018 Budget Cap	FY2018 House Proposed Budget	FY2018 Senate Budget Level (Temporary)
Defense Discretionary	549	621.5	551
Non-Defense Discretionary	515.4	511	518.5



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FY2018 Budget Action in Congress

- House defense spending level is **\$72.5b** above Budget Control Act cap
- This level of defense spending would bust the cap, triggering across-the-board cuts (known as sequestration)
- FY2018 level proposed by the House Budget Committee as well as temporary levels set by the Senate would require a new bipartisan budget deal



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Congressional Appropriations Action

- House Appropriations Committee has completed action on all 12 spending bills
- House approved a “minibus” package which includes Defense, Energy and Water Development, Legislative Branch, and Military Construction-Veterans Affairs
- Senate Appropriations Committee has completed markup of Agriculture, Energy and Water Development, Military Construction-Veterans Affairs, Transportation-HUD, Commerce, Justice, Science, and Legislative Branch spending bills



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FY 2018 Appropriations



U.S. Economic Development Administration

- House Appropriations Committee has recommended **\$176m** for EDA, a **\$100 million** decrease
 - \$140 million for economic development programs
 - \$36 million for salaries and expenses



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FY 2018 Appropriations



U.S. Economic Development Administration

- Senate Appropriations Committee has recommended **\$254m** for EDA, a **\$22 million** decrease
 - \$215 million for economic development programs
 - \$39 million for salaries and expenses



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FY2018 Appropriations



USDA - Rural Development Programs

Program	FY17 Final	FY18 House	FY18 Senate
Rural Housing Service	\$2.06b	\$1.86b	\$1.97b
Rural Business Loan & Grants	\$65.3m	\$58.2m	\$64.3m
Intermediary Relending Program	\$9.9m	\$8.2m	\$8.8m
Rural Coop Dev Grants	\$26.5m	\$21m	\$26.5m
Rural Econ Infrastructure Grants	\$0	\$122.6m	\$0
Rural Utilities Service Loans/Grants	\$571m	\$472m	\$550m
Water and Waste Disposal Loans	\$1.25b	\$1.25b	\$1.25b
Broadband Loans and Grants	\$65.6m	\$4.5m	\$61.1m



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FY2018 Appropriations

Energy and Water Development – Regional Commissions

Program	FY17 Final	FY18 House	FY18 Senate
Appalachian Regional Commission	\$152m	\$130m	\$142m
Delta Regional Authority	\$25m	\$15m	\$25m
Denali Commission	\$15m	\$5m	\$15m
Northern Border Reg Commission	\$10m	\$5m	\$15m
Southeast Crescent Reg Commission	\$250,000	\$250,000	\$0



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FY2018 Appropriations

Labor, HHS, Education, and Related Agencies Workforce Programs

Adult Employment and Training

- FY17 Final: \$815m
- FY18 House: \$776m

Youth Employment and Training

- FY17 Final: \$873m
- FY18 House: \$831m

Apprenticeship Grants

- FY17 Final: \$95m
- FY18 House: \$0



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FY2018 Appropriations

Labor, HHS, Education, and Related Agencies Workforce Programs

Dislocated Worker Employment and Training

- FY17 Final: \$1.2b
- FY18 House: \$1.1b

Community Service Employment for Older Americans

- FY17 Final: \$400m
- FY18 House: \$300m

Job Corps

- FY17 Final: \$1.7b
- FY18 House: \$1.69b



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FY2018 Appropriations

Transportation, Housing and Urban Development and Related Agencies

Federal-Aid Highways

- FY17 Final: \$43.2b
- FY18 House: \$44.2b
- FY18 Senate: \$45b

Transportation Infrastructure Grants (TIGER)

- FY17 Final: \$500m
- FY18 House: \$0
- FY18 Senate: \$550m

Essential Air Service

- FY17 Final: \$175m
- FY18 House: \$150m
- FY19 Senate: \$155m



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FY2018 Appropriations

Transportation, Housing and Urban Development and Related Agencies

Community Development Block Grant (CDBG)

- FY17 Final: \$3b
- FY18 House: \$2.9b
- FY18 Senate: \$3b

HOME Investment Partnerships

- FY17 Final: \$950m
- FY18 House: \$850m
- FY18 Senate: \$950m

Homeless Assistance Grants

- FY17 Final: \$2.4b
- FY18 House: \$2.4b
- FY18 Senate: \$2.4b



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Congressional To Do List

- Debt ceiling increase
- Health Care
- Tax overhaul (dependent upon budget resolution)
- National Flood Insurance Program reauthorization (expires September 30)



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Notable Administrative Actions

- USDA-Rural Development Re-organization
 - Elimination of Undersecretary for Rural Development
 - New Assistant to the Secretary for Rural Development, Anne Hazlett
 - Senate has included language in their FY2018 Agriculture Appropriations bill to require the Undersecretary position
- Task Force on Agriculture and Rural Prosperity
 - Created by Executive Order in April; multi-agency effort led by USDA
 - Inaugural Meeting on June 15
 - Recommendations for administrative and legislative actions due in October



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Notable Administrative Actions

Presidential Nominations & Confirmations

- There are 570 key positions requiring Senate confirmation
 - 357 have no nominee
 - 18 are awaiting nomination
 - 146 have been formally nominated
 - 49 have been confirmed

"The Trump administration is below the performance of every president since Reagan in terms of not just getting people confirmed, but in terms of nominating people."

Dr. Terry Sullivan, White House Transition Project



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What's Next?



- Senate considering spending measures through various subcommittees
- Need for bipartisan budget deal to avoid sequestration
- Potential for Continuing Resolution; continued uncertainty
- Competing issues – healthcare, tax reform, infrastructure
- Potential major hang-up for appropriations: border wall
- August Recess cut short
- New Fiscal Year Begins Oct. 1

NADO Advocacy Efforts

➤ Coalitions

- Rebuild Rural (Infrastructure focused)
- Economic Development Stakeholders (NADO-led)
- HUD-CDBG Coalition
- Coalition to Invest in America's Workforce
- Brownfields Coalition

➤ Engagement with Congress and the Administration

- Increased Hill visits
- Agency outreach
- Sign-on letters
- Targeted outreach pieces focused on successful projects in key congressional districts as well as the national impact of programs



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NADO Advocacy Efforts

Outreach Materials

- Federal Investments at Work
- Congressional Letter
- Board Resolution
- Highlights federal impact in region
- Customize to programs, services
- Responds to funding rollbacks
- Distribute to federal, state, local stakeholders
- Monthly Legislative Updates – last week of each month

Federal Investments at Work

How Funding Impacts Our Communities



Prepared by

Blue Ridge Regional Commission



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Questions



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