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Washington Friday Report

Volume XIX, Issue 12



SIMON AND COMPANY

Intergovernmental Relations and Federal Affairs

Washington Friday Report

March 24, 2017

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The House in full session on a Friday is pretty rare, made even more so today by taking one of the most historic votes in recent American history, as they are about to do around 5:00 p.m. this afternoon (see below). In the third month of this new Congress and Administration, anything can happen!

- Cabinet Update
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Regardless of the outcome later today, there is a long way to go before we'll know the real future of health care in the U.S. Meanwhile, there's much to tell you about this week, on health care and more. Here's a summary for your review.







TOP STORIES

The Health Care Hurdle



The drama over the repeal of Obamacare is finally coming to a head this week, resulting in full House vote that will likely take place sometime this afternoon, probably around 5:00pm. Towards the end of heated, closed door Republican Conference deliberations last night, President Trump issued an ultimatum via his OMB Director Mick Mulvaney. Director Mulvaney told Republicans that negotiations were over and the President was ready to leave Obamacare in place if they did not hold a vote on Friday.

The ultimatum comes on the heels of a week fraught with contention and ambiguity as to whether the bill would pass – Republicans can only lose 22 votes and still maintain the 216 vote they need for passage. At the time we are writing this, it has been reported that Speaker Paul Ryan has gone to the White House to tell the President that he does not have the votes to pass the bill. House Freedom Caucus members have been particularly problematic for Speaker Ryan, generally citing that the bill did not depart strongly enough from the Affordable Care Act. In an effort to get them on board, changes were made to the bill in the second

half of the week, including stripping the essential health benefits component and other Obamacare staples.

We heard from members of the health care industry this week during a U.S. Conference of Mayors briefing, who shed light on exactly how this bill may affect localities. They said the bill would make health care unaffordable for more people because of the elimination of Obamacare tax credits and actuarial values. The Congressional Budget Office (CBO) backs this up, citing that premiums are estimated to go up 15–20 percent in 2018 and 2019. Furthermore, in the absence of actuarial values, companies will not have a set minimum requirement for coverage and individuals may be burdened with a higher portion of the total cost.

They also mentioned the elimination of the prevention fund, which in combination with the other eliminations will make it more difficult to compare plans and make an informed health insurance decision. Also noted is how this may affect sectors outside of health care. A drastic reduction in Medicaid dollars, in which 60% goes towards behavioral health services, could result in added pressure on law enforcement, jails, and other entities, should people not have access to critical treatment.

The American Health Care Act came before the House Rules Committee on Wednesday, where <u>30 amendments</u> were offered for consideration in the manager's amendment on the floor. The CBO released a second <u>report</u> on budget estimates late yesterday afternoon, accounting for recent changes made to the legislation. For more, click on <u>CBO American Health Care Act</u>, <u>American Health Care Act</u> Committee Report and <u>GOP Step-by-Step Approach to Health Care</u>.

We expect a vote on the American Health Care Act later this afternoon. We will report back to you soon on the aftermath of the vote and possible next steps.



The President's Budget: Grim Reaction Continues

Washington and the nation are still reacting from the release of the President's "skinny" budget last week - which we covered extensively in our special report. The budget has received a lot of criticism and Republican leaders are no exception. The President's full budget is set to be released in the upcoming weeks, likely sometime in May.

House Committee Appropriations Chairman Rodney Frelinghuysen spoke on the budget during a Town Hall in his New Jersey district, criticizing the decision to cut the National Institutes of Health by 20 percent, the funding for a border wall, and OMB Director Mick Mulvaney himself. In what should provide some relief for those worried about the future of the long list of programs slated for elimination or drastic reductions, the Chairman stated, "I don't think that proposal will have any traction in Congress. I think you'll find most Republicans and Democrats speaking against it." This sentiment that the President's budget request will be "dead upon arrival" to Congress has certainly been echoed by lawmakers on both sides of the aisle following the budget reveal.

On Director Mulvaney, the Chairman said "He's not one of my favorite people. I never worked with him when he was in Congress." Senate Majority Leader Mitch McConnell also had something to say about the budget, stating, "America being a force is a lot more than building up the Defense Department. Diplomacy is important, extremely important, and I don't think these reductions at the State Department are appropriate because many times diplomacy is a lot more effective — and certainly cheaper — than military engagement."





Airports and Infrastructure

Courtesy of Fresno Yosemite international Airport and Director **Kevin Meikle**, we attended the *Airports Council International Washington Legislative Conference* this week where several key lawmakers from both sides of the aisle discussed airport issues. It was good to hear their perspectives on what may unfold on Capitol Hill in the coming months in the aviation field.

We heard from leaders of the congressional transportation committees, including House Transportation and Infrastructure Committee Chairman Bill Schuster, House Transportation and Infrastructure Committee Ranking Member Peter DeFazio, and Senate Transportation Appropriations Subcommittee Chairman Jack Reed. Rep. DeFazio talked about the proposal to privatize the FAA and how airlines would have control over the governing board, as well as other airport issues.

Chairman Shuster spoke on his views and the top issues for airports, including his reluctance to raise or eliminate the cap for the Passenger Facility Charge (PFC). An issue that has long been contested between airports, airlines, and lawmakers, PFCs are key to providing funding for airport infrastructure – the cap is currently at \$4.50. Airlines typically oppose them because they believe it may discourage travel and since the fee shows up on the ticket, passengers may blame the airline. True to political fashion, lawmakers tend to steer clear because of the idea that PFCs are just "another tax." However, with the upcoming FAA reauthorization and the Trump Administration's threats to cut DOT funding, PCFs are more important than ever because they allow airports to produce their own funds to invest in their infrastructure. Rep. DeFazio is in full support of

removing the cap and even introduced a bill that would do just that.

Chairman Shuster also offered information on current negotiations in Congress and a glimpse of where the President stands on infrastructure. He told the group that the House Transportation and Infrastructure Committee is currently working with the House Ways and Means Committee on funding for a potential infrastructure package. They have had communications with DOT Secretary Elaine Chao and that the President has a list of 50–80 projects that may be prioritized. Chairman Shuster said he is "making the case" to the President that they should be looking beyond this limited list. He also noted that a big piece of the general infrastructure debate will be reducing the current regulatory "burden" – a theme we have seen under the Trump Administration.

At a separate event and summing up his views, Chairman Shuster stated "The reality is the political reality, and we've got to get something done before next spring. Across the board, whether it's taxes, Obamacare, or [health care] reform or infrastructure, because the House of Representatives and one-third of the Senate, they're going to be on the line, so we've got to do something."

California's Rep. Julia Brownley, member of the House Transportation and Infrastructure Committee, told the crowd "we have a shot of getting an infrastructure bill," and addressed concerns about the President's budget and reminded everyone that Congress still has "the power of the purse." Rep. Rick Larsen, Ranking Member of the House Transportation and Infrastructure Aviation Subcommittee, echoed this reassurance on the role of Congress, but said there is a difference between the President's proposal and "actual legislation" in regards to infrastructure. The congressman added that he is aware public-private partnerships do not work for all types of infrastructure and that it is "getting late" in Congress for crafting and consideration of a big package. Senator Reed said, "we need to get over the CR and get onto real budget negotiations."

None of the lawmakers in attendance could provide a definite time frame for any upcoming legislation, which will be largely dependent on how Congress proceeds on the big-ticket items of health care and tax reform. We'll keep you

Not in Compliance: ICE's List

The Department of Homeland Security (DHS) has issued its first report highlighting jurisdictions that choose not to cooperate with ICE detainers or requests for notification. This weekly reporting is a requirement of the President's Executive Order targeting sanctuary cities. While DHS asserted in an accompanying press release that "A jurisdiction's appearance on this report is not an exclusive factor in determining a jurisdiction's level of cooperation with ICE," they do state that it is intended to provide the public with information on "any jurisdiction that ignores or otherwise failed to honor any detainers or requests for notification with respect to such aliens."

On a related note, the Congressional Research Service (CRS) has published a report on Sanctuary Cities and federal grant funding issues. The report specifically looks at the uncertainly around how the President's Executive Order would affect grant funding, including what constitutes a federal grant, which federal grant programs are affected, whether and how grant recipients residing in a sanctuary jurisdiction might be affected, how the EO will be implemented through the administration of federal grant programs, and when grant funding might be affected. *More to come.*

OTHER NEWS AND GRANTS



Cabinet Update

The Senate held confirmation hearings for Labor Secretary nominee Alexander Acosta this week. In his opening statement, he said "We need to make better efforts to align job training with the skills the market demands of its workers especially as advancing technology changes the types of jobs available in our economy..." Secretary designate Acosta previously served as assistant attorney general for civil rights in the Justice Department and as U.S. attorney for the Southern District of Florida. Democrats have cited a few concerns with Acosta, including past hiring controversies during his time at the DOJ. Republicans in turn asked questions regarding workers' re-education and how we would facilitate this as Labor secretary.

Keystone Pipeline Moving Forward

President Trump granted the Keystone XL pipeline a federal permit today, putting the project on a path to completion. The State Department made the announcement, saying "In making his determination that issuance of this permit would serve the national interest, the Under Secretary considered a range of factors, including but not limited to foreign policy; energy security; environmental, cultural, and economic impacts; and compliance with applicable law and policy." Despite the permit, there is still a chance groups could sue to halt construction. The State Department previously estimated that the project would create 42,100 mostly temporary jobs, with about 35 permanent.



Recently, we sent many of you a grant notice on <u>DOL VETS Grant Programs</u> or the <u>National Park Service Land and Water Conservation Fund (LWCF) State and Local Assistance Program.</u>

Please contact Jen Covino with any questions about grants.

Oregon Lawmakers Prioritize Infrastructure

It seems some lawmakers from Oregon are on the same page when it comes to infrastructure. Rep. **Peter DeFazio**, House Transportation and Infrastructure Ranking Member, has introduced <u>legislation</u> that would add a penny to the federal gas tax to pay for infrastructure. He said "It's a pathetically small increase in the gas tax, and if anybody [in Congress] doesn't have enough guts to vote for something that can do a \$500 billion investment, that would create tens of thousands of jobs, they don't belong here." The bill would authorize the Treasury Department to sell \$17 billion in 30-year bonds each year against the future revenue from the tax. The bond money would be deposited in the federal Highway Trust Fund, which funds roadways and transit systems, and distributed directly to states under a provision already in the highway authorization bill.

Rep. Earl Blumenauer has reintroduced the <u>Water Infrastructure Trust Fund Act</u>. This legislation would provide a small, deficit-neutral source of revenue to help states replace, repair, and rehabilitate critical clean and drinking water facilities. Half of the trust fund revenue would be distributed to local governments as grants and loans through the Clean Water State Revolving Fund (CWSRF) for wastewater treatment construction, while the other 50 percent will be distributed through the existing Drinking Water State Revolving Fund (DWSRF) to finance projects to meet federal drinking water standards. *The Water Infrastructure Trust Fund Act has been referred to three House Committees for further review.*

Hearings on the Hill this Week

The House Energy and Commerce Oversight and Investigations Subcommittee held a <u>hearing</u> on the opioid crisis, specifically focusing on fentanyl, a synthetic opioid. This <u>Energy and Commerce Memorandum</u> provides background on the subject and what they are doing to combat the problem. The hearing had high level witnesses from various departments across the government, including the State Department, Office of National Drug Control Policy, National Institute on

Drug Abuse, National Institutes of Health, National Center for Injury Prevention

and Control, Centers for Disease Control and Prevention, and Diversion Control

Division, Drug Enforcement Administration.

The House Energy and Commerce Communications and Technology

Subcommittee held a hearing on broadband infrastructure. According to a

background memorandum, the purpose of the hearing was to discuss barriers at

the federal level that hinder private sector investment in broadband, as well as

accompanying legislation, and the challenges of collecting, aggregating, and

making available accurate data relating to the availability of broadband service

across the United States.

The Senate Commerce, Science & Transportation held a <u>hearing</u> on airport

infrastructure and aviation manufacturing in lieu of the upcoming FAA

reauthorization. The hearing covered airport infrastructure issues, regulatory

certification processes at the Federal Aviation Administration, and reforms to

improve U.S. competitiveness in the global marketplace for aviation products and

manufacturing. They heard from government stakeholders as well as members

from the aviation industry.

The House Financial Services Committee held a hearing entitled, "The JOBS Act at

Five: Examining Its Impact and Ensuring the Competitiveness of the U.S. Capital

Markets. "The Committee examined capital markets, securities, investment, and

the impact of the Jumpstart Our Business Startups Act (JOBS Act)) (Pub. L. No

112-106). For more, click on Committee Memorandum.

If you have any questions about this edition of the Washington Friday Report, please feel

free to contact Silvana Caldera or Len Simon.

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SIMON AND COMPANY
Intergovernmental Relations and Federal Affairs

Washington Friday Report

March 17, 2017

Inside this Issue...

- The President's Devastating
 Budget
- Obamacare Repeal and

What a week of contrasts. Monday through Wednesday we had wonderful city and transit authority officials in town for the National League of Cities and American Public Transit Association conferences. each meeting with congressional members and staff discussing their priorities and accomplishments at the local level. Then

Replace

- Reorganization of the Federal
 Government
- Travel Ban Blocked
- Federal Prosecutors Ordered to Target Violent Offenders
- Vehicle Fuel Economy
 Standards
- Hearings on the Hill this Week

Black Thursday - for local governments, the worst federal budget ever proposed! But as Winston Churchill said, "Now, this is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning." So we proceed forward. Meanwhile, here's a summary of the budget deliberations and a few other developments from this action packed week.







TOP STORIES

The President's Devastating Budget



As many of you read in our <u>Special Report: The Trump Budget</u> yesterday, the President released his "skinny" <u>budget</u> on Thursday. The budget request is devastating for local government programs, fully eliminating TIGER, Amtrak, CDBG, Home and Choice Neighborhoods, the EDA, LIHEAP, and CDFI Funds, to name a few. It also cuts many independent agencies, such as the Corporation for National and Community Service and the U.S. Interagency Council on Homelessness. For more, you can view graphics illustrating the changes courtesy of *The Washington Post* and *The New York Times*.

Given how drastic and harmful this budget is for most agencies and many critical programs, it is not surprising that it met immediate resistance from members of Congress on both sides of the aisle. In their own words, here are some of the first reactions:

- Senator **Roy Blunt** (R): "There are many concerns with non-defense discretionary cuts. Over the next several weeks, we'll be holding hearings with cabinet secretaries and others involved to determine funding priorities for fiscal year 2018."
- Rep. Hal Rogers (R), immediate past chairman of the Appropriations committee: "While we have a responsibility to reduce our federal deficit, I am disappointed that many of the reductions and eliminations proposed in the president's skinny budget are draconian, careless and counterproductive. We will certainly review this budget proposal, but Congress ultimately has the power of the purse."
- Senator Charles E. Grassley (R): "I've never seen a president's budget proposal not revised substantially. "As a member of the Budget Committee, I'll carefully scrutinize and assess priorities as the president has with his proposal."
- House Agriculture Committee Chairman **Michael Conaway** (R): "Agriculture has done more than its fair share...The bottom line is this is the start of a longer, larger process. It is a proposal, not THE budget."
- Speaker Paul Ryan (R): "I welcome the president's blueprint for next year's budget, which turns the page from the last eight years. We are determined to work with the administration to shrink the size of

government, grow our economy, secure our borders, and ensure our troops have the tools necessary to complete their missions. I look forward to reviewing this with the Appropriations Committee and our entire conference."

- Senator **Patty Murray** (D): "This budget is a direct attack on workers, families, women, seniors, and the middle class and it represents just the latest of the many broken promises from President Trump."
- House Minority Leader Nancy Pelosi (D): "Throwing billions at defense while ransacking America's investments in jobs, education, clean energy and lifesaving medical research will leave our nation weakened. The President's budget blueprint fails to recognize America's strength depends on more than military spending; it depends on the power of our diplomacy, the health of our economy and the vitality of our communities."
- Senate Minority Leader Charles E. Schumer (D): "Democrats in Congress will emphatically oppose these cuts & urge our Republican colleagues to reject them as well."

As we mentioned yesterday, this is just the first step in the larger federal budget process and Congress ultimately has the last word on these decisions. *We will report any budgetary updates next week and beyond.*



Obamacare Repeal and Replace

Following the dramatic Committee markups last week, the American Healthcare Act (the Obamacare replacement bill) is moving through the House. The <u>Budget</u>

Committee combined the bills marked up by two House Committees last week and voted 19 to 17 yesterday to advance the consolidated bill. Next, the bill goes to the House Rules Committee, where it is determined which amendments to the legislation may be considered on the floor. This stage is key because it is these amendments which allow lawmakers to try to work out their concerns on the floor before a final vote. If they are satisfied with any changes made and the bill garners enough votes to pass the House, it will then be considered by the Senate, which may make many changes on its own. As you can see, the bill still has several hurdles to overcome.

A new element to the healthcare debate is the much-anticipated <u>Congressional Budget Office (CBO) scoring</u>, which came out earlier this week. With this analysis, the public and lawmakers learned cost estimates associated with the legislation. CBO estimates that the American Healthcare Act would cause 14 million Americans to lose insurance next year and 24 million to lose insurance by 2026, among other numerous effects. You can read a summary of the report <u>here</u>.

In addition, the Center for American Progress released their <u>estimates</u> on the bill, providing state-by-state comparisons on enrollees' costs. The Center estimates the bill would increase costs for the average enrollee by \$3,174 in 2020 (when the new program would go into effect). The impact would be particularly severe for older individuals age 55 to 64, whose costs would increase by \$8,329. Individuals with income below 250 percent of poverty would see their costs increase by \$4,815. They also estimate that beyond 2020, these cost increases would escalate rapidly. Although the numbers vary, the bill would increase average costs significantly for individuals in every single state.

We will be sure to share any new information on the bill and/or its movement through Congress.

Reorganization of the Federal Government

The President signed an <u>Executive Order</u> this week establishing a comprehensive plan for reorganizing the Executive branch. The order is *"intended to improve*"

the efficiency, effectiveness, and accountability of the executive branch by directing the Director of the Office of Management and Budget (Director) to propose a plan to reorganize governmental functions and eliminate unnecessary agencies (as defined in section 551(1) of title 5, United States Code), components of agencies, and agency programs."

Each proposed plan should include "recommendations to eliminate unnecessary agencies, components of agencies, and agency programs, and to merge functions." The plans should include recommendations for any legislation or administrative measures necessary to achieve the proposed reorganization. In evaluating these plans, OMB Director Mick Mulvaney will consider several factors, including "whether some or all of the functions of an agency, a component, or a program are appropriate for the Federal Government or would be better left to State or local governments or to the private sector through free enterprise."

The repetition of this language is troubling because it is very similar to what we saw throughout the President's budget request yesterday. It served as a go-to justification for eliminating or drastically cutting funding for programs that are important to state and local governments.

Travel Ban Blocked

Courts have blocked President Trump's second version of the controversial Executive Order on the travel ban and refugee program suspension. Judges in Hawaii and Maryland ruled on cases originally filed against the first version of the order, concluding that changes that came in the second version did not address the courts' underlying concerns. Judges from both states cite evidence that the travel ban seems to target Muslimmajority countries. You can read more here.



OTHER NEWS AND GRANTS

Federal Prosecutors Ordered to Target Violent Offenders

Attorney General **Jeff Sessions** has directed federal prosecutors to "use every tool we have" to prosecute violent offenders in communities across the nation. In a memorandum he sent to the Justice Department, he instructed the prosecutors to "partner with federal, state, local, and tribal law enforcement to specifically identify the criminals responsible for violent crime in their districts." As part of the Administration's larger goal to mitigate violent crime, he also directs the prosecutors to "coordinate with state and local counterparts to identify the venue (federal or state) that best ensures an immediate and appropriate penalty for these violent offenders."

He goes on share a list of statues that are designed to target crime and should be employed as tools for prosecuting individuals. The Attorney General then encourages full enforcement of the Controlled Substances Act since "many violent crimes are driven by drug trafficking and drug trafficking organizations." He concludes by saying that further guidance on this issue is to come soon. This could have implications for state and local statues regarding marijuana. We'll keep you updated.

Vehicle Fuel Economy Standards

President Trump <u>ordered</u> the Environmental Protection Agency (EPA) to review fuel efficiency and vehicle emissions standards set by the Obama administration. In what the President says is part of an effort to support the automobile industry, The EPA and the National Highway Traffic Safety Administration (NHTSA) are reinstating the Midterm Evaluation of the Corporate Average Fuel Economy (CAFE) and greenhouse gas emissions (GHG) standards for the automotive industry. The order also includes directions to "cut red tape" and instructed the aforementioned agencies to establish a Regulatory Task Force "to identify costly and unnecessary regulations in need of modification or repeal." In lieu of these

actions, the President stated, "We're going to make the process much more simple for auto companies, and everyone else who wants to do business in the United States."





Recently, we sent many of you a grant notice on EPA Region 5 FY 2017 Wetland

Program Development Grants, EPA Region 9 FY 2017 and 2018 Wetland Program

Development Grants, and EPA Region 10 FY 2017 and 2018 Wetland Program

Development Grants.

Please contact Jen Covino with any questions about grants.

Hearings on the Hill this Week

The Senate Committee on Banking, Housing, and Urban Affairs held a hearing on the Reauthorization of the National Flood Insurance Program this week. They heard from Roy E. Wright, Deputy Associate Administrator for Insurance and Mitigation, Federal Emergency Management Agency. Mr. Roy shared background on the program, lessons learned, and successes from recent legislative reforms. The Committee intends to hold a second hearing on the topic soon.

The Senate Committee on Energy and Natural Resources recently held a <u>hearing</u> on improving energy infrastructure. Witnesses included stakeholders in the energy industry, including representatives from Pacific Power, Cordova Electric,

Dominion Energy, etc. In her <u>opening statement</u>, Chairman **Lisa Murkowski** stated, "We are planning to look at lands, water, and resource-related infrastructure next week at this time, and infrastructure will also be a prominent theme at hearings we have planned on our foreign mineral dependence, cyber security, and other issues."

The House Energy and Commerce Committee held a <u>hearing</u> on reinvestment and rehabilitation of our nation's safe drinking water delivery systems this week. The hearing touched on the Safe Drinking Water Act, the Water Infrastructure Finance and Innovation Act (WIFIA), and other relevant federal programs. You can read their <u>background memo</u> for more information.

Happy St. Patrick's Day! Today everyone is irish

If you have any questions about this edition of the *Washington Friday Report*, please feel free to contact <u>Silvana Caldera</u> or <u>Len Simon</u>.

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March 10, 2017

Inside this Issue...

- The American Healthcare

 Act
- This Week in the White

This new Administration and Congress are having their ups and downs, but no doubt they are working overtime to make good on campaign commitments. This week, the best example of that was the introduction – and quick mark-up in two Committees – of the bill to repeal and replace Obamacare. But, of course, that's the beginning of a long process

House

- The Trump Administration
- HUD Funding in Jeopardy
- COPS Office
- Airport Infrastructure
- Hearings on the Hill this
 Week
- MPO Coordination Rule
 Action
- Transportation Safety

with quite a ways to go in the House and Senate. But without question when it's all over – and it will be some day – the health care system we've known for the last six years will be different. How different? Stay tuned. Meanwhile, here are the highlights off the health care action and lots of other tumultuous events of the week!







TOP STORIES

The American Healthcare Act

It's been a whirlwind week for the Republican leaders following the unveiling of their Obamacare <u>replacement bill</u>: The American Healthcare Act. The legislation was released on Tuesday and scheduled for mark-up by two House Committees just 24 hours later, evoking a full range of reactions from Republicans, Democrats, the healthcare industry, and citizens alike.

What some are calling "Obamacare-lite," the bill retains certain portions of the healthcare law, but repeals and changes other key components. The new bill repeals the individual mandate, employer mandate, and subsidies for out-of-

pocket expenses. It also makes changes to premium subsidies, Medicaid expansion, and health savings accounts. However, it does keep dependent coverage until 26, the pre-existing conditions policy, essential health benefits, and prohibitions on annual and lifetime limits. For more, click <u>The House Energy</u> and Commerce Section-By-Section Summary and New York Times Graphic.

Shortly after the bill dropped, Speaker **Paul Ryan** and other Republican leaders in the House held a press conference to discuss the bill. Speaker Ryan assured the press they would get the votes for its passage and shed light on their larger plan that will unfold in the next couple of months. He said that this "repeal and replace bill" is the first step, which he noted is a reconciliation bill and thus not subject to a filibuster in the Senate. This is key given the amount of opposition the bill has garnered so far from both parties and chambers of Congress. The Speaker said the second step will be utilizing the "discretion" given to HHS Secretary **Tom Price** through existing law to make additional health care reforms. The third step will involve passing legislation in a piecemeal fashion on specific reforms needed in the health care law.

The House Energy and Commerce Committee and the House Ways and Means Committee both reviewed the legislation on Wednesday with each Committee's mark-up proving to be divisive and long. Democrats in both Committees employed procedural tactics and introduced a plethora of amendments to delay the plan's advancement. Aside from not knowing how many will lose health care on the plan and other provisions they believe to be troubling, lawmakers took issue with the lack of scoring by the Congressional Budget Office (CBO) on the legislation. Without that critical CBO analysis, lawmakers cannot adequately anticipate how much the legislation will cost the government and taxpaying Americans. However, Speaker Ryan said the legislation would be scored before it was voted on by the full House. In addition, numerous medical organizations including the AARP, the Hospitals Association, the American Academy of Pediatrics, the American Academy of Family Physicians, and the American Medical Association announced their opposition to the bill.

After eighteen straight hours of debate, the Ways and Means Committee

approved the legislation around 4:00 a.m. Thursday morning by a vote of 23 to 16. The Energy and Commerce Committee approved the legislation Thursday afternoon after more than twenty-four hours of debate by a vote of 31 to 23. Next step: the House floor, possibly soon with perhaps hundreds of proposed amendments. Eventually, the legislation in amended form will move over to the Senate for consideration, where it will likely face continued opposition. Many Senate Republicans, including Majority Leader Mitch McConnell, have expressed the need for spending estimates like their counterparts in the House. We will be sure to report on next week's developments when Congress resumes session.

This Week in the White House

The Administration released an updated version of their Executive Order on the travel ban and refugees. The Executive Order has the same goals as the former ban, but the updated version excludes Iraq as one of the countries previously listed. This version provides more detail on the reasons for singling out the affected countries, as well pending litigation that has transpired.

The Executive Order details the scope and implementation of suspension, listing application criteria and exceptions. The first exception listed is "any lawful permanent resident of the United States" or green card holders. The President released a memorandum for the Secretary of State, Attorney General, and Secretary of Homeland Security with implementation guidelines for components of this Executive Order. You can read DHS Secretary Kelly's statement on these actions here.

President Trump also released a <u>memorandum</u> containing guidelines and procedures for publishing the *Unified Agenda of Federal Regulatory and Deregulatory Actions* for spring 2017. This directs the regulatory policy officers within each of the executive departments and agencies to make their submissions with the recent regulatory Executive Order in mind, recognizing that it is "the policy of the executive branch to be prudent and financially responsible

in the expenditure of funds," and continuing that "it is essential to manage the costs associated with the governmental imposition of private expenditures required to comply with Federal regulations."

Given the immense volume of actions undertaken since President Trump assumed office, we wanted to share a handy overview of the Executive Orders that have transpired below *(courtesy of Axios).*

Trump's executive orders
In his first weeks in office, President Donald Trump has issued several executive orders aimed at keeping campaign promises.

DATE	TOPIC	WHAT IT DOES	WHAT IT MEANS
March 6	Immigration	Reworks a Jan. 27 travel ban, loosening some restrictions on who can come to the U.S., but keeping a 120-day suspension of refugee admissions intact and still barring immigration temporarily from six countries.	Revoking the old order nullifies the legal challenges against it. Iraq is no longer part of the 90-day ban, which affects immigrants from Iran, Libya, Somalia, Sudan, Syria and Yemen for 90 days. All are majority Muslim countries.
Feb. 28	Education	Moves the Initiative on Historically Black Colleges and Universities from the Department of Education to the White House executive office.	The order supporting the nation's historically black colleges returns to the White House after being moved to the Education Department in 2002.
Feb. 28	Environment	Orders a review of a rule enacted under the Obama administration which expanded the scope of U.S. waters covered under the Clean Water Act.	The order instructs the EPA and Army Corps of Engineers to propose revisions or rescind the rule, which has been mired in lawsuits and never implemented.
Feb. 24	Federal regulations	Requires each federal agency to establish a task force to study existing regulations with an eye toward eliminating costly and unneeded ones.	Trump continues to take measures to cut what he sees as burdensome and unnecessary federal red tape.
Feb. 9	Executive branch structure	Lays out the succession order at the Justice Department if top officials are removed from their posts.	A U.S. attorney for one of three major districts would run the department if death, resignation or some other inability to serve leaves key vacancies.
Feb. 9	Public safety	Calls for agencies to coordinate to fight transnational criminal organizations including drug cartels, human traffickers and cybercriminals.	Trump addresses an issue from the campaign trail, when he frequently spoke of illegal drug trafficking from overseas by foreign drug cartels.
Feb. 9	Public safety	Directs Justice Department to define new federal crimes, and increase penalties for existing ones, against local and federal law enforcement officers.	The order sends a message that the Trump administration supports increased protection of law enforcement officers at a time when violence against them is down.
Feb. 9	Public safety	Directs attorney general to establish a task force to find ways to reduce crime including drug trafficking and illegal immigration.	The task force could devise new methods for crime-fighting and data gathering to analyze crime trends.
Feb. 3	Financial regulations	Directs Treasury secretary to review laws, regulations and treaties for those that conflict with administration principles.	No immediate action, but could herald a rollback of financial regulations put in place after the 2008 financial crisis.
Jan. 30	Federal regulations	Requires at least two regulations be repealed for each new one implemented.	Government agencies requesting a new regulation must identify two regulations they will cut from their own departments.
Jan. 28	Executive branch ethics	Bars appointees from lobbying their agencies for 5 years after departure; bans them for life from lobbying for foreign governments; prohibits gifts from lobbyists.	Every political appointee joining the administration after Jan. 20 must sign the lobbying ban; unclear how it would be enforced.
Jan. 27	Immigration	Suspends immigration for 90 days from seven Mideast and African nations; stops refugee admissions for 120 days; indefinitely suspends Syrian refugees.	Affects immigrants from Iraq, Iran, Libya, Somalia, Sudan, Syria and Yemen, which are majority Muslim countries.
Jan. 25	Border security	Secures southern border by building a wall; ends release of immigrants awaiting court hearings; hires new Border Patrol agents; reviews U.S. financial aid to Mexico.	Administration seeks to build wall with funds already appropriated for border security and to end "catch and release" program that frees immigrants until their court case can be heard.
Jan. 25	Immigration	Denies federal funds to "sanctuary cities" which refuse to cooperate with immigration authorities.	The crackdown could cost millions of dollars to individual jurisdictions, but the order is likely to face legal challenges.
Jan. 24	Environmental review	Sets 30-day deadline to determine whether infrastructure projects are considered "high priority" and subject to	Domestic infrastructure projects like the Dakota Access Pipeline could be greenlighted sooner than in previous

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Sent: Thursday, March 16, 2017 9:33 AM

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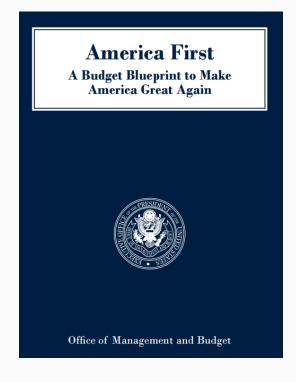
Subject: Special Report on President's Budget - March 16, 2017

SIMON AND COMPANY

Intergovernmental Relations and Federal Affairs

Special Report: The Trump Budget

March 16, 2017



President Proposes Devastating Cuts to Local Programs

"The core of my first Budget
Blueprint is the rebuilding of our
Nation's military without adding to
our Federal deficit. There is a \$54
billion increase in defense
spending in 2018 that is offset by
targeted reductions elsewhere.
This defense funding is vital to
rebuilding and preparing our
Armed Forces for the future."

The President's FY18 Budget: *Proposed Devastation for Local Government Programs*

President Trump released his much-anticipated "skinny" budget this morning, entitled "America First: A Budget to make America Great Again," which provides an outline of the President's full budget which is set to come out sometime in the weeks ahead. From what is detailed in today's release (only 61 pages for the entire government!), the budget makes drastic changes to the federal government as we know it, from completely eliminating core local programs and reducing the federal workforce to boosting defense spending to very high levels. In short, the budget proposal certainly does not resemble anything we have seen in the past under any previous presidency.

While the President's budget paints a picture of the Administration's core values, it is important to note that this is the first step in the larger federal budgetary process – Congress ultimately has the last word, and that process will begin soon in the budget and appropriations committees.

This is the first of many updates on the FY18 budget process we anticipate forwarding to you. We'll do our best to keep you current on developments and their implications. Please let us know if you have any questions.

Below is a breakdown of the President's budget.

Overview of Key Provisions of the Skinny Budget

The "skinny" budget is thick with proposed eliminations and reductions of key

local government programs. President Trump's budget proposes to eliminate many of the programs that are crucial to localities. While his "skinny" budget lacks detail and does not touch on all existing programs, here is a list of some of the key programs that are currently proposed for elimination:

Transportation

- Capital Investment Grant Program (New Starts/Small Starts)
- TIGER
- Amtrak

HUD

- Community Development Block Grant (CDBG)
- Home Investment Partnerships Program
- Choice Neighborhoods Program
- Self-help Home Ownership Opportunity Program
- Section 4 Capacity Building for Community Development and Affordable Housing program

Commerce

- Economic Development Administration
- Minority Business Development Agency

Education

• 21st Century Community Learning Centers Program

Energy

- Title 17 Innovative Technology Loan Guarantee Program
- Weatherization Assistance Program
- State Energy Program
- Advanced Technology Vehicle Manufacturing Program

HHS

- Low Income Home Energy Assistance Program (LIHEAP)
- Community Service Block Grants

Interior

- National Heritage Areas
- National Wildlife Refuge Fund

Justice

State Criminal Alien Assistance Program

Treasury

CDFI Funds

EPA

• Great Lakes Restoration Initiative

Independent Agencies

- Corporation for National and Community Service
- Corporation for Public Broadcasting
- Institute of Museum and Library Services
- National Endowment for the Arts
- Legal Services Corp
- U.S. Interagency Council on Homelessness

As you can see, this is a long list that but does not come close to the over 60 programs referenced for elimination in this budget. As justification for many of the eliminations, the Administration says, "state and local governments are positioned to serve their communities based on local needs and priorities." A more detailed description of department changes is below, including some awful quotes from the document.

Department-by-Department Breakdown

Department of Housing and Urban Development

- Proposes a \$6.2 billion or 13.2 percent decrease from 2017 enacted levels.
- Eliminates CDBG because it "is not well-targeted to the poorest populations and has not demonstrated results. The Budget devolves community and economic development activities to the State and local level, and redirects Federal resources to other activities."
- Eliminates HOME Investment Partnerships Program, Choice Neighborhoods, and the Self-help Homeownership Opportunity Program.
- Eliminates Section 4 Capacity Building for Community Development and Affordable Housing.

Department of Transportation

- Proposes a \$2.4 billion or 13 percent decrease from 2017 enacted levels.
- Privatizes the Federal Aviation Administration.
- Makes significant changes to Amtrak: "Restructures and reduces Federal subsidies to Amtrak to focus resources on the parts of the passenger rail system that provide meaningful transportation options within regions. The Budget terminates Federal support for Amtrak's long distance train services, which have long been inefficient and incur the vast majority of Amtrak's operating losses. This would allow Amtrak to focus on better managing its State-supported and Northeast Corridor train services."
- Eliminates future New Starts: "Limits funding for the Federal Transit Administration's Capital Investment Program (New Starts) to projects with existing full funding grant agreements only. Future investments in new transit projects would be funded by the localities that use and benefit from these localized projects."
- Eliminates TIGER: "Eliminates funding for the unauthorized TIGER discretionary grant program, which awards grants to projects that are generally eligible for funding under existing surface transportation

formula programs, saving \$499 million from the 2017 annualized CR level. Further, DOT's Nationally Significant Freight and Highway Projects grant program, authorized by the FAST Act of 2015, supports larger highway and multimodal freight projects with demonstrable national or regional benefits. This grant program is authorized at an annual average of \$900 million through 2020."

Department of Justice

- Proposes a \$1.1 billion or 3.8 percent decrease from 2017 enacted levels.
- "Eliminates approximately \$700 million in unnecessary spending on outdated programs that either have met their goal or have exceeded their usefulness, including \$210 million for the poorly targeted State Criminal Alien Assistance Program, in which two-thirds of the funding primarily reimburses four States for the cost of incarcerating certain illegal criminal aliens."
- Combats illegal entry and unlawful presence in the United States by providing an increase of nearly \$80 million, or 19 percent, above the 2017 annualized CR level to hire 75 additional immigration judge teams to bolster and more efficiently adjudicate removal proceedings— bringing the total number of funded immigration judge teams to 449.
- "Supports the addition of 20 attorneys to pursue Federal efforts to obtain the land and holdings necessary to secure the Southwest border and another 20 attorneys and support staff for immigration litigation assistance."

Department of Health and Human Services (HHS)

- Proposes a \$15.1 or 17.9 percent decrease from 2017 enacted levels.
- Eliminates the discretionary programs within the Office of Community Services, including the Low Income Home Energy Assistance Program (LIHEAP) and the Community Services Block Grant (CSBG).
- Focuses spending on the "highest priority activities necessary" for the operation of Medicare, Medicaid, and the Children's Health Insurance Program.

- Reduces National Institutes of Health's (NIH) by \$5.8 billion.
- Reforms key public health, emergency preparedness, and prevention programs.
- Eliminates \$403 million in health professions and nursing training programs.

Department of Education

- Proposes a \$9 billion or 13 percent decrease from 2017 enacted levels.
- Increases investments in public and private school choice by \$1.4 billion.
- Maintains approximately \$13 billion in funding for IDEA programs.
- Eliminates the \$2.4 billion Supporting Effective Instruction State Grants program.
- Eliminates the 21st Century Community Learning Centers program.
- Eliminates the Federal Supplemental Educational Opportunity Grant program.
- Eliminates or reduces over 20 categorical programs that "are more appropriately supported with State, local, or private funds," including Striving Readers, Teacher Quality Partnership, Impact Aid Support Payments for Federal Property, and International Education programs.

Department of Interior

- Proposes a \$11.6 billion or 12 percent decrease from 2017 enacted levels.
- Reduces funding for lower priority activities, such as new major acquisitions of Federal land: "reduces land acquisition funding by more than \$120 million from the 2017 annualized CR level and would instead focus available discretionary funds on investing in, and maintaining, existing national parks, refuges and public lands."
- Eliminates Abandoned Mine Land grants, National Heritage Areas that are more appropriately funded locally, and National Wildlife Refuge fund payments to local governments.
- Invests over \$1 billion in safe, reliable, and efficient management of

water resources throughout the western United States.

Environmental Protection Agency

- Proposes a \$5.7 billion or 31 percent decrease from 2017 enacted levels.
- Discontinues Clean Power Plan, Great Lakes Restoration Initiative, more than 50 other EPA programs.
- "Supports Categorical Grants with \$597 million, a \$482 million reduction below 2017 annualized CR levels. These lower levels are in line with the broader strategy of streamlining environmental protection. This funding level eliminates or substantially reduces Federal investment in State environmental activities that go beyond EPA's statutory requirements."

Department of Energy

- Proposes a \$1.7 billion or 5.6 percent decrease from 2017 enacted levels.
- Eliminates the Advanced Research Projects Agency-Energy, the Title 17
 Innovative Technology Loan Guarantee Program, and the Advanced Technology Vehicle Manufacturing Program.

Department of Commerce

- Proposes a \$1.5 billion or 16 percent decrease from 2017 enacted levels.
- Eliminates the Economic Development Administration and Minority Business Development Agency.
- Increases U.S. Census Bureau funding by \$100 million.
- "Zeroes out over \$250 million in targeted National Oceanic and Atmospheric Administration (NOAA) grants and programs supporting coastal and marine management research."

Department of Homeland Security

- Proposes a \$2.8 billion or 6.8 percent increase from 2017 enacted levels.
- "Eliminates or reduces State and local grant funding by \$667 million for programs administered by the Federal Emergency Management Agency (FEMA) that are either unauthorized by the Congress, such as FEMA's Pre-

Disaster Mitigation Grant Program, or that must provide more measurable results and ensure the Federal Government is not supplanting other stakeholders' responsibilities, such as the Homeland Security Grant Program. For that reason, the Budget also proposes establishing a 25 percent non–Federal cost match for FEMA preparedness grant awards that currently require no cost match. This is the same cost–sharing approach as FEMA's disaster recovery grants. The activities and acquisitions funded through these grant programs are primarily State and local functions."

Department of Treasury

- Proposes a \$519 million or 4.1 percent decrease from 2017 enacted levels.
- Eliminates CDFI: "The CDFI Fund was created more than 20 years ago to jump-start a now mature industry where private institutions have ready access to the capital needed to extend credit and provide financial services to underserved communities."

Department of Labor

- Proposes a \$2.5 billion or 21 percent decrease from 2017 enacted levels.
- Makes changes to labor grant programs: "Decreases Federal support for job training and employment service formula grants, shifting more responsibility for funding these services to States, localities, and employers."
- Expands Reemployment and Eligibility Assessments.

Department of Veterans Affairs

- Proposes a \$4.4 billion or 6 percent increase from 2017 enacted levels.
- Extends and funds Veterans Choice Program.
- Provides a \$4.6 billion increase in discretionary funding for VA health care to improve patient access and timeliness of medical care services for over nine million enrolled veterans.

• Supports VA programs that provide services to homeless and at-risk veterans and their families to help keep them safe and sheltered.

Department of Defense

• Proposes a \$52 billion increase from 2017 enacted levels.

Department of Agriculture

- Proposes a \$4.7 billion or 21 percent decrease from 2017 enacted levels.
- Eliminates or cuts funding to the Water and Wastewater loan and grant program, the Rural Business and Cooperative Service, and the McGovern-Dole International Food for Education program.







If you have any questions about this special report, please feel free to contact <u>Len Simon</u>, <u>Jen Covino</u>, or <u>Silvana Caldera</u>.

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Sent: Friday, March 03, 2017 11:47 AM

To: Trai Her-Cole

Subject: Washington Friday Report - March 3, 2017

Washington Friday Report

Volume XIX, Issue Nine



SIMON AND COMPANY
Intergovernmental Relations and Federal Affairs

Washington Friday Report

March 03, 2017

Inside this Issue...

- Whirlwind: Thursday On the Hill and with the Trump Administration
- President Trump's Address to Congress
- Executive Orders

Any week that has a Presidential address to a Joint Session of Congress, a U.S. Conference of Mayors Leadership Meeting, a dozen or so meetings with the top leaders in Congress and the Administration, not to mention four new Cabinet confirmations, including HUD, is a week worth writing about. So here's our summary of the highlights for your

- The Budget
- Welcome HUD Secretary Ben Carson
- Cabinet Update
- Obamacare Replacement
- Hearings on the Hill This Week

review!







TOP STORIES

Whirlwind: Thursday On the Hill and with the Trump Administration

















Courtesy of Mayors Jim Brainard of Carmel, Greg Fischer of Louisville, Paul Soglin of Madison and Marilyn Strickland of Tacoma, and the U.S. Conference of Mayors, we had a wild and whirlwind Thursday on the Hill and with the Trump Administration. The Mayors were in town for the USCM Leadership Meeting, so we had a great front seat (including in the taxi's!) to some extraordinary meetings which provided an excellent vantage point to what is happening in Washington at this unique time in our history.

We met first with the new Administrator of the *Environmental Protection Administration*, former Oklahoma Attorney General **Scott Pruitt.** He said he adheres to two principles in his work: (1) being a good listener; and (2) civility, engagement and discourse. He asked for a partnership with Mayors in his four priority areas: (1) Superfund; (2) brownfields; (3) water infrastructure; and (4) attainment issues.

We then met with **Billy Kirkland**, the new Deputy Director of the *White House Office of Intergovernmental Affairs*, who hails from Georgia and worked in the

Trump campaign. He will be our principal liaison in the White House and said he looks forward to working with us and meeting regularly. I had a good initial conversation with him and plan to follow up shortly on your behalf.

Then up to the Hill, where we met first with Rep. **Bill Shuster**, Chairman of the *House Transportation and Infrastructure Committee*. He will have the principal role in the House for enacting the President's infrastructure plan. He discussed a wide variety of subjects, in connection with the plan, including its size, the role of the private sector, state versus local control and keeping the tax-exempt status for bonds. Mayors pledged to work with him to make the infrastructure package a reality.

Following that meeting we met with Rep. Louis Slaughter of New York, the Chairman of the *House Arts Caucus*. She discussed with those present the importance of the arts to the life of communities saying that "Arts doesn't need to apologize to anybody", but also indicating that "these are not the best of times" since some reports state that the Trump Administration will seek to defund the federal arts programs.

After that, up to the office of the *House Minority Leader*, **Nancy Pelosi**, and her leadership team including *Minority Whip* **Steny Hoyer**, House *Budget Committee* Ranking Member **John Yarmuth** of Louisville and **Peter DeFazio**, the Ranking Member of the *House Transportation and Infrastructure Committee*. The group discussed with those members and others infrastructure, municipal bonds, the budget, the Marketplace Fairness Act, public safety, workforce development, and the Trump Administration Executive Orders. Mr. Yarmuth was especially helpful in explaining some of the consequences of Trump Administration budget policies which may call for discretionary domestic funding cuts of more than \$50 billion for FY18.

Then it was over to the Senate side to meet with *Senate Majority Leader* **Mitch McConnell**. He indicated support for a big infrastructure bill, as long as it was properly paid for and didn't swell federal bureaucracies. He expressed support for CDBG and municipal bonds and indicated that there was a majority of

support in both Houses for the Marketplace Fairness Act. He discussed Sanctuary Cities with the group and indicated that when the President proposed his budget, Congress would have the last word, as it always does.

By coincidence, following the meeting with Leader McConnell, we met with his wife, the *Secretary of Transportation*, **Elaine Chao**, who graciously greeted the Mayors with a reception accompanied by members of her senior team. When the infrastructure package is implemented it will largely fall to her responsibility. She told the Mayors that as Secretary she wanted to *"inform, educate and innovate,"* and also be *"responsive to your needs."* Her time and the expansiveness with which she greeted the Mayors was deeply appreciated.

What a day! We learned a great deal which will help inform and direct our work on your behalf in the weeks and months ahead, but also learned that those times will be challenging indeed. More to come!

President Trump's Address to Congress

President Trump delivered the first address to Congress of his Presidency on Tuesday night. Prepared and delivered with a unifying tone, he denounced bigotry and opened along the lines of tolerance and inclusion. He said, "Recent threats targeting Jewish community centers and vandalism of Jewish cemeteries, as well as last week's shooting in Kansas City remind us that while we may be a nation divided on policies, we are a country that stand united in condemning hate and evil in all of its very ugly forms."

The President also mentioned the campaign promises he is following through on, referencing negotiations on defense contracts and with major companies to save jobs. The President also touched on immigration and his plans to "begin construction of a great, great wall along our southern border." However, the speech did lack detail on some major priorities, such as tax reform and an infrastructure legislation package. To read the full speech, click here. You can

read more coverage of the President's speech by clicking <u>CNN</u>, <u>NPR</u>, <u>NBC</u>, and <u>The Washington Post</u>.

Executive Orders

Keeping up the momentum, President Trump recently signed several more Executive Orders on an array of topics. Late last week, he signed an Executive Order directing each federal agency to create a task force to identify and recommend changes to "unnecessary, burdensome and harmful" rules. Building on his Executive Order from a couple weeks ago, the President is continuing to take actions to decrease regulations across the executive branch. At the Executive Order signing ceremony, he said "Excessive regulations are killing jobs, and driving companies out of this country like never before."

This week, he signed an Executive Order directing the EPA to formally review the Clean Water Rule, known as "Waters of the United States" (WOTUS). According to the Executive Order, the justification for the review is as follows: "It is in the national interest to ensure that the Nation's navigable waters are kept free from pollution, while at the same time promoting economic growth, minimizing regulatory uncertainty, and showing due regard for the roles of the Congress and the States under the Constitution." The Executive Order indicates the rule could be subject to "rescinding or revising."

Finally, the President has signed an Executive Order to promote excellence and innovation at historically black colleges and universities (HBCUs) through a new White House initiative. The new initiative is tasked with increasing the private-sector role in strengthening HBCUs and upgrading institutional infrastructure. They will also work to enhance HBCUs capabilities to serve young adults by strengthening HBCUs' ability to equitably participate in Federal programs and foster public-private partnerships, among other things. The Department of Education will play a role in furthering the goals of this Executive Order by identifying agencies that regularly interact with HBCUs and helping to strengthen

their capacity to participate in federal programs and initiatives.

The Budget

President Trump's "skinny" budget is set to be sent to Congress on March 16th. According to an Office of Management and Budget official, the Administration intends to make cuts from nondefense spending to pay for a 10 percent increase in defense spending. To accomplish this, the Administration will likely propose to increase defense spending by \$54 billion, equaling to a total of \$603 billion in FY18, with domestic non-entitlement spending decreased by an equal amount. This would be translated to stark cuts on the domestic side. For example, it has also been reported that the EPA's budget will be slashed by almost a quarter and some of its best-know programs tasked with improving water and air quality and combating climate change are facing potential elimination.

OMB Director **Mick Mulvaney** spoke on the budget proposal during a White House daily press briefing. While he confirmed some topline numbers, he asserted that "This is not a full-blown budget. That will not come until May, so you're not going to see anything in here that has to do with mandatory spending, entitlement reforms, tax policies, revenue projections or the infrastructure plan." Regardless of how the President's budget takes shape, it will soon be sent to Congress and any resulting appropriations bills will need to garner at least 60 votes in the Senate – the requirement for any change in budgetary law. Furthermore, Congress still needs to conclude the 2017 appropriations process. The continuing resolution passed late last year only give them until April 28th to do so. We will be sure to provide more information as the budgetary future takes shape.



Welcome HUD Secretary Ben Carson

Dr. Ben Carson has been confirmed as the new Secretary of HUD. He was confirmed on Thursday by a vote of 58 to 41. Secretary Carson garnered support from some Democrats despite their issues around his lack of experience in housing and in managing a large bureaucracy, which were covered during his confirmation hearings. Secretary Carson has vowed to address the affordable housing crisis and the 11 million households that spend more than half their income on rent by attacking the problem "from both ends." You can review Secretary Carson's opening statements, both for the record and at the hearing, here. We look forward to working with Secretary Carson and his team.

OTHER NEWS AND GRANTS

Cabinet Update

Aside from the confirmation of HUD Secretary Carson, the Senate this week confirmed other members of President Trump's Cabinet. **Ryan Zinke** has been confirmed as Interior Secretary and quickly got to work in his new role. Secretary Zinke reversed an Obama Administration rule banning lead ammunition and fish tackle used on national wildlife refuges on his first day in office. The Senate also confirmed **Rick Perry** to be Energy Secretary in a vote of 62 to 37. In addition, **Wilbur Ross** has been confirmed as Commerce Secretary in a vote of 72 to 27.

The following cabinet nominees are still awaiting confirmation: Sonny Perdue for Agriculture, Alexander Acosta for Labor, Dan Coats for National Intelligence,

and **Robert Lighthizer** for Special Trade Representative.

Obamacare Replacement

We wanted to share a <u>draft</u> (courtesy of Politico) of a replacement for the Affordable Care Act that was leaked this week. The draft legislation would do away with the following Obamacare staples: the individual mandate, subsidies based on people's income, and taxes associated with the law, while also rolling back the expansion of Medicaid spending. Upon news of the leak, House Majority Whip **Steve Scalise** said the proposal is "no longer even a viable draft that we're working off of." A spokesperson for the Majority Whip clarified that "The Whip was referring to the fact that the draft in question is an older draft," implying that a final bill may contain different content than what is in the leaked legislation but embrace comparable policies.

It has been reported that disagreements on provisions in the bill have made negotiations and drafting a final measure difficult. For example, the leaked draft creates refundable tax credits instead of Obamacare subsidies, which some Republicans do not favor. Freedom Caucus Chairman Mark Meadows said this provision would create "a new entitlement program." Speaker Paul Ryan, however, has downplayed these disagreements and said, "I feel at the end of the day when we get everything done and right, we're going to be unified on this."



Recently, we sent many of you a grant notice on the <u>VA FY 2018 Adaptive Sports</u>

<u>Grant Program.</u>

Please contact Jen Covino with any questions about grants.

Hearings on the Hill This Week

There are a lot of different issues being covered on the Hill this week, so we wanted to alert you to a few key hearings. The House Science, Space, and Technology's Subcommittee on Environment and Oversight held a hearing on the social cost of carbon. The hearing focused on properly valuing the cost of carbon, as well as assessing EPA regulations. Chairman Lamar Smith argued that "Americans are led to believe that the EPA's regulations are based on the best science available. Unfortunately, this Committee has uncovered that this is not the case."

Looking at EPA regulations through a similar lens, the House Oversight Committee held a hearing this week to examine environmental barriers to infrastructure development. The purpose of the hearing was twofold: (1) to identify examples of regulations and statues that inhibit infrastructure growth, and (2) to examine ways to remove unnecessary impediments from projects critical to American infrastructure and jobs.

The House Homeland Security Subcommittee on Emergency Preparedness, Response and Communications Subcommittee held a hearing on "The Future of FEMA," where they reviewed recommendations from former administrators.

Chairman Dan Donovan defined the hearing as the second in "a series of hearings on the future of FEMA and an effort to help set the next Administrator up for success."

In preparation for the upcoming FAA reauthorization, the House Transportation Committee held a <u>hearing</u> on the state of American airports this week. The Committee sees an important role for airports in their new <u>"Building a 21st Century Infrastructure for America"</u> initiative, which we have reported on in the past. Various representatives from the aviation community testified, including the Director of the Aviation Division of the Port of Seattle, among others.

Over on the Senate side, the Senate Judiciary Committee held a hearing on

improving outcomes for youth in the juvenile justice system. The hearing sought to explore methods to address children nonviolent offenders. The Committee heard from several relevant organizations, including PACE Center for Girls and Rights4Girls. To learn more, click here.

If you have any questions about this edition of the *Washington Friday Report*, please feel free to contact <u>Silvana Caldera</u> or <u>Len Simon</u>.

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