

Summary of Federal Legislative Report

Solano County's Washington representatives provided the Legislative Committee with an update on House Republican efforts to repeal and replace the *Affordable Care Act*. Having been favorably approved by four separate committees, lawmakers began floor debate on the bill (HR 1628) on Friday, March 24. It should be noted that consideration of the legislation – which had been in serious doubt due to a lack of GOP consensus on the measure – was preceded by an unexpected ultimatum from President Trump. In short, the president signaled to House Republicans that negotiations on the bill were over and that the chamber needed to proceed to a final vote.

As of this writing, the House is embroiled in an intense partisan debate over the bill. With the fate of HR 1628 very much in doubt, House Speaker Paul Ryan (R-WI) rushed to the White House late on March 24 to inform President Trump that Republicans lacked the necessary votes to approve the measure. It is unclear whether GOP leaders will pull the bill from the floor in order to avoid the political fallout that would inevitably accompany the bill's defeat.

For its part, the Solano County Board of Supervisors recently sent correspondence to its congressional representatives urging them to vote against HR 1628. Among other reasons for opposing the bill, the Board's letter highlights provisions of the legislation that would terminate the enhanced federal match for the Medicaid expansion population, as well as the bill's proposed Medicaid per-capita cap.

With regard to the federal budget, the current fiscal year 2017 Continuing Resolution (CR) is slated to expire on April 28. With a little over a month before the CR runs out, Congress will have little time to act on a new budget. Notably, the White House is recommending an \$18 billion cut in discretionary spending to offset a proposed \$30 billion increase in fiscal year 2017 defense spending. The proposal came as part of a recent supplemental spending request to Congress.

On the fiscal year 2018 budget front, President Trump sent to Capitol Hill on March 16 a general outline of his administration's budget priorities for the upcoming fiscal year. The blueprint, which is just over 50 pages long and amounts to a bare-bones spending request, proposes historically deep cuts across nearly every federal agency. All told, the White House is recommending \$54 billion in FY18 spending reductions to non-defense discretionary programs in order to pay for a commensurate increase in defense-related funding.

While the document, entitled "America First – A Budget Blueprint to Make America Great Again," provides the clearest indication, to date, of the Trump administration's fiscal objectives, it falls far short of a complete budget plan. A full fiscal year 2018 spending proposal, with line-by-line funding requests and agency-level analyses, is expected sometime in May. In the meantime, the president's blueprint sets the stage for what is expected to be a vigorous debate in Congress over the size and proper role of the federal government.

As part of the budget proposal, the president is recommending the elimination of a number of programs that are of importance to Solano County, including: the Community Development Block Grant (CDBG); the State Criminal Alien Assistance Program (SCAAP); Low-Income Home Energy Assistance Program (LIHEAP); and, a number of programs under the purview of the Department of Homeland Security and the Environmental Protection Agency.

Attachment A

With regard to cannabis, Senators Elizabeth Warren (D-MA) and Lisa Murkowski (R-AK) recently spearheaded a letter to Attorney General Jeff Sessions, urging the Department of Justice to uphold its existing enforcement policy regarding state-legal marijuana laws. The letter is a response to recent mixed messages from the Trump administration on whether or not it will enforce federal law as it pertains to recreational marijuana use. It should be noted that the correspondence further requests that state and local elected officials, as well as public health and safety officials, be afforded an opportunity to comment on any potential shift in policy. While it's unclear when, or if, the administration will respond to the Warren-Murkowski letter, Attorney General Sessions has privately assured several of his former GOP colleagues that there are no immediate plans to move away from the Cole Memo.

In addition, the Solano County's federal advocates notified the Legislative Committee of a new Congressional Research Service (CRS) report on cannabis. The report, which was requested by the Congressional Cannabis Caucus, provides in-depth background on federal marijuana policy and an overview of state trends. It also analyzes relevant issues for federal law enforcement and outlines the various policy questions that Congress may confront. The information presented by CRS will be used to aid in education efforts on Capitol Hill.

Finally, as comprehensive tax reform remains a top agenda item for the Trump administration and GOP leaders, there is some concern that Congress may look to limit, or even eliminate, the tax exempt status of these bonds. In response, a recent letter – which was signed by over 150 bipartisan members of Congress, including Congressmen Garamendi and Thompson – expresses support for tax-free municipal bonds and urges leaders to carefully consider any tax-code changes that would increase borrowing costs for state and local governments.