

FEDERAL BUDGET UPDATE

As this budget report was being prepared, congressional leaders had just announced the broad parameters of a bipartisan border security deal that, if accepted by President Trump, would pave the way for consideration of a massive nine-Department spending bill. The impending congressional action – and subsequent approval by the president – would avoid the prospect of another partial government shutdown and ultimately bring closure to the bitter and protracted debate over the fiscal year 2019 budget.

While final details of the agreement had not yet been made publicly available, the deal would reportedly allow \$1.375 billion in spending for 55 miles of new fencing along the U.S.-Mexico border, far short of the \$5.7 billion President Trump had sought for 234 miles of border barriers. According to White House advisors, the president would likely accept the deal, with the caveat that he would pursue an executive order to reprogram other federal funds for purposes of constructing a border wall.

Assuming the border-security agreement holds, Congress is expected to approve an omnibus appropriations package that funds the following departments through September 30, 2019. Spending levels for individual programs under the purview of those departments were *not* available at the time of this writing.

Department of Agriculture	Department of the Interior
Department of Justice	Department of Transportation
Department of Housing & Urban Development	Department of Commerce
Department of Homeland Security	Department of State
Department of the Treasury	

Approved Budget Appropriations

Notably, Congress approved and President Trump signed into law last fall legislation that provided full-year funding for a number of major departments and sub-agencies of the federal government. To follow are summaries of several of the bills that are of direct interest to Solano County (numbers in the charts are in millions of dollars).

ENERGY & WATER DEVELOPMENT APPROPRIATIONS ACT

Signed into law on September 21, 2018 (P.L. 115-244)

TOTAL DISCRETIONARY SPENDING		
FISCAL YEAR 2018	FISCAL YEAR 2019	CHANGE
\$43,200	\$44,700	+\$1,500

US ARMY CORPS OF ENGINEERS			
	FY 2018	FY 2019	CHANGE
Army Corps	\$6,829	\$7,000	+\$171
Investigations	\$123	\$125	+\$2
Construction	\$2,085	\$2,183	+\$98
Operation and Maintenance (Dredging)	\$3,630	\$3,740	+\$110
San Pablo Bay/Mare Island Strait	\$5.08	\$3.05	-\$2.03
Suisun Bay Channel	\$7.8	\$3.66	-\$4.14
SF Bay Delta Model Structure	\$1.56	\$1.19	-\$370K
SF Bay LTMS	\$600K	\$0	-\$600K

BUREAU OF RECLAMATION			
	FY 2018	FY 2019	CHANGE
Bureau of Reclamation	\$1,470	\$1,570	+\$100
Water & Related Resources	\$1,332	\$1,392	+\$60
Solano Project	\$3.7	\$3.7	---
Water Storage Projects (<i>WIIN Act</i>)	\$134	\$134	---
CALFED Bay-Delta Restoration	\$37	\$35	-\$2
Central Valley Project Restoration Fund	\$41	\$62	+\$21
Title XVI Water Reclamation & Reuse	\$54	\$58.6	+\$4.6
WaterSMART	\$34	\$34	---

CALFED Bay-Delta Restoration

The final Energy-Water spending bill provides \$35 million for California Bay-Delta Restoration, a \$2 million decrease from the FY 2018 enacted level. The account focuses on the health of the Bay-Delta ecosystem and improved water management and supplies.

WIIN Act Funding

The minibus provides \$134 million for water storage projects authorized in the *Water Infrastructure Improvements for the Nation (WIIN) Act*. With regard to California, the funds could be used for the following projects: design and pre-construction work on the Shasta Reservoir project; feasibility study completions for the Sites Reservoir and the Temperance Flat Reservoir; and, initiation of a feasibility study to address subsidence on the Friant Kern Canal.

DEPARTMENT OF ENERGY			
	FY 2018	FY 2019	CHANGE
Department of Energy	\$34,520	\$35,685	+\$1,165
Energy Efficiency & Renewable Energy	\$2,322	\$2,379	+\$57
Weatherization Assistance Grants	\$248	\$254	+\$6

Energy Efficiency and Renewable Energy

EERE's mission focuses on the development of clean, affordable, and secure energy. The minibus would provide nearly \$2.38 billion for the account, \$57 million more than the fiscal year 2018 enacted level.

Weatherization Assistance Grants

Weatherization Assistance Grants help low-income families make their homes more energy efficient while reducing their energy bills. The final Energy-Water spending bill includes \$254 million for the program in fiscal year 2019, a slight boost from the previous funding level.

LABOR-HEALTH-HUMANS SERVICES APPROPRIATIONS ACT

Signed into law on September 21, 2018 (P.L. 115-245)

DISCRETIONARY SPENDING		
FISCAL YEAR 2018	FISCAL YEAR 2019	CHANGE
\$177,000	\$178,000	+\$1,000

DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	FY 2018	FY 2019	CHANGE
SAMHSA	\$5,159	\$5,743	+\$584
CDC	\$8,301	\$7,948	-\$353
Comm. Mental Health Services Block Grant	\$702	\$702	---
Substance Abuse Prevention and Treatment Block Grant	\$1,858	\$1,858	---
State Opioid Response Grants	\$1,000	\$1,500	+\$500
Child Care and Development Block Grant	\$5,226	\$5,276	+\$50
Social Services Block Grant	\$1,700	\$1,700	---
LIHEAP	\$3,640	\$3,690	+\$50
Community Services Block Grant	\$715	\$725	+\$10
Head Start	\$9,863	\$10,063	+\$200
Senior Nutrition Programs	\$897	\$907	+\$10

Substance Abuse and Mental Health Services Administration (SAMHSA)

SAMHSA works with local governments to support and improve community-based services for people with mental illnesses and substance abuse conditions. PL 115-245 increases SAMHSA funding by \$584 million in fiscal year 2019.

Centers for Disease Control and Prevention (CDC)

The minibus scales back funding for the CDC, a major source of federal support for public health departments.

Community Mental Health Services Block Grant

The Community Mental Health Services Block Grant, which helps support counties' mental health services, will be funded at the same level as fiscal year 2018. In fiscal year 2017, California received over \$74 million in funding from the block grant.

Substance Abuse Prevention and Treatment Block Grant

This block grant supports county behavioral health authorities address alcohol and drug abuse prevention, treatment, and rehabilitation services. The minibuss provides level funding (\$1.86 billion) in fiscal year 2019. In fiscal year 2017, California received over \$254 million in program funding.

Child Care and Development Block Grant

The Child Care and Development Block Grant is the primary federal funding source supporting child care for low-income families. The final conference agreement provides a slight boost (+\$50 million) in funding for the program.

State Opioid Response Grants

These formula grants help provide prevention, treatment, and recovery support services to individuals with opioid use disorder. The final Labor-HHS spending law provides a significant increase in funding (+\$500 million) for the program.

Social Services Block Grant

Social Services Block Grants are a flexible funding source that allows states to tailor social service programming to their population's needs. California primarily uses the funding to provide services for those with developmental disabilities, as well as for child abuse prevention activities. Congress endorsed level funding for the program in fiscal year 2019.

Low-Income Home Energy Assistance Program (LIHEAP)

The minibuss provides a modest increase (+\$50 million) in funding for LIHEAP, which helps provide heating and cooling assistance to low-income families.

Community Services Block Grant

The Community Services Block Grant provides funds to alleviate the causes and conditions of poverty in communities. CSBG allows counties to design and implement anti-poverty programs tailored to an individual community's needs. The fiscal year 2019 spending law provides an additional \$10 million for the program.

Head Start

Head Start provides grants directly to local organizations to provide comprehensive early childhood education services to children and their families. The final spending bill allocated nearly \$10.1 billion for the program, an increase of \$200 million.

Senior Nutrition Programs

The minibuss provided an additional \$10 million for programs supporting senior nutrition, which includes programs like Meals on Wheels.

DEPARTMENT OF LABOR			
	FY 2018	FY 2019	CHANGE
WIOA Programs - State Workforce Grants	\$2,790	\$2,790	---
Veterans Employment and Training (VETS)	\$295	\$300	\$5
Job Corps	\$1,719	\$1,719	---

Workforce Innovation and Opportunity Act (WIOA)

The fiscal year 2019 Labor-HHS spending bill provides nearly \$2.8 billion for WIOA programs, which is equal to the fiscal year 2018 enacted level. WIOA is the largest single source of federal funding for workforce development activities and a critical resource to counties.

Veterans Employment and Training (VETS)

The minibuss provides \$300 million for veterans' employment and training, a \$5 million increase over fiscal year 2018 enacted levels.

Job Corps

The Job Corps program, which provides job training and education for low-income out-of-school youth, is funded at current levels (\$1.7 billion) in PL 115-245.

INSTITUTE OF MUSEUM AND LIBRARY SERVICES			
	FY 2018	FY 2019	CHANGE
IMLS	\$240	\$242	+\$2
Grants to States	\$161	\$161	---

Institute of Museum and Library Services (IMLS)

The fiscal year 2019 minibuss spending law provides an additional \$2 million for the IMLS and designates level funding (\$161 million) for the Grants to States program, which provides funding to State Library Administrative Agencies using a population-based formula.

Fiscal Year 2020 Outlook

Looking ahead to fiscal year 2020, the Trump administration is not expected to have its budget proposal to Congress until sometime in March. The White House has indicated, however, that it intends to seek a three-percent across-the-board reduction in spending for non-defense discretionary programs. As is customary, congressional appropriators are *not* expected to use the president's budget as a baseline in developing their fiscal year 2020 appropriations bills.

On a related matter, the strict spending caps imposed by the 2011 *Budget Control Act* are slated to be back in effect for the 2020 fiscal year. Accordingly, congressional leaders are expected to seek a deal to lift the caps, similar to what has been agreed to the last several years.