

## Summary of Federal Legislative Report – January 6

### Fiscal Year 2020 Budget Recap

As one of its final acts of 2019, Congress approved and President Trump signed into law a massive \$1.4 trillion fiscal year 2020 appropriations package. The long-awaited agreement – which lawmakers broke into two separate bills (HR 1158 & HR 1865) – includes a \$24.5 billion increase in nondefense discretionary spending as authorized by last year's budget accord (PL 116-37).

In addition to funding every federal department and agency through this September, the spending deal carries a variety of notable policy riders, several of which are of interest to Solano County. For starters, the budget includes the text of the *Family First Transition Act* (HR 4980/S 2777), which is designed to help states and counties transition to requirements of the 2018 federal child welfare reform law (known as the *Family First Prevention Services Act* (FFPSA)). Under the new law, California is in line to receive \$52 million for FFPSA implementation.

The budget also includes a permanent repeal of the *Affordable Care Act's* so-called "Cadillac tax," as well as several other tax-related provisions, including the renewal of several expiring industry-specific tax deductions and credits (i.e., tax breaks for biodiesel, renewable energy, etc.). According to the nonpartisan Joint Committee on Taxation, the revenue reductions in the FY 2020 appropriations law will cost the federal government more than \$426 billion over the next decade.

Regarding President Trump's border wall, the final budget provides the same \$1.375 billion that Congress appropriated for the project in fiscal year 2019. While many Democrats insisted that the bill place limitations on the president's authority to transfer funds from other accounts to help finance the wall, the legislation does not include any such restrictions. It should be noted that the White House's decision earlier this year to use military construction funds to pay for border wall construction activities is currently under a nationwide injunction and remains the subject of several pending lawsuits.

Although the budget provides an overall net increase in domestic discretionary spending in FY 2020, not every program was the beneficiary of a funding boost. Nevertheless, lawmakers did approve notable increases for several programmatic areas that are of importance to Solano County, including homeless assistance grants and housing and community development programs. Congress also boosted spending for several key justice assistance programs, as well as health and human services programs.

## **Outlook for Second Session of the 116<sup>th</sup> Congress**

With the winner-takes-all presidential and congressional elections on the horizon, 2020 promises to offer some of the same political fireworks that impacted the 2019 session. In the Senate, one of the first expected orders of business is the trial phase of the impeachment proceedings against President Trump. As of this writing, however, House Speaker Nancy Pelosi (D-CA) has held off on sending the articles of impeachment to the Senate pending assurances from Majority Leader Mitch McConnell (R-KY) that the trial will be fair. Among other things, Pelosi and top Democrats are demanding that key White House officials who have not previously testified be summoned to appear as witnesses. In contrast, several Republicans are advocating for a truncated process with no or very minimal witness testimony.

Despite what many would see as a heightened chance for legislative gridlock in 2020, lawmakers are expected to press ahead on several major items early in the new year, including the FY 2021 budget. In addition, members of Congress are expected to move forward with certain components of an infrastructure package, namely bills that address funding for highways, transit, and water infrastructure.