Subject: FW: CSAC Federal Budget Update

To: CSAC Board of Directors

County Legislative Coordinators

From: Cara Martinson, CSAC Legislative Representative & Federal Affairs Manager

Joe Krahn, Waterman & Associates, CSAC Federal Lobbyist

RE: Federal Budget Update

The following is an update from our federal lobbyists on the status of the federal budget and proposed spending cuts put forth by the Trump Administration. It should be noted at the outset that while the list is daunting, there is significant Democratic and Republican concern and opposition to this proposal.

Last week, the Trump administration sent to Capitol Hill a detailed list of suggested cuts that could be used to partially offset its recent fiscal year 2017 supplemental spending request. All told, the president is asking Congress to approve \$18 billion in current-year spending reductions to help pay for \$30 billion in new defense and border security funding. The administration's proposal would substantially reduce, or in some cases eliminate, fiscal year 2017 funding for a number of programs that are of importance to California's counties.

Among other things, the administration's proposal would *eliminate* FY 17 funding for:

- State Criminal Alien Assistance Program (\$210 million);
- Community Services Block Grants (\$306 million);
- Low-Income Home Energy Assistance Program (\$372 million);
- Choice Neighborhoods Initiative (\$125 million);
- TIGER Grants (\$499 million);
- Senior Community Service Employment Program (\$434 million); and,
- Western Drought Relief Efforts (\$100 million).

Programs that are targeted for FY 17 cuts include:

- Payments-in-Lieu-of-Taxes (\$51 million cut);
- Community Development Block Grants (\$1.5 billion cut);
- Capital Investment Program/Transit (\$447 million cut);
- Economic Development Assistance grants (\$97 million cut);
- Pre-Disaster Mitigation Grants (\$20 million cut);
- Mental Health Block Grants (\$100 million cut);
- Women Infants and Children Feeding Program (\$200 million cut)

The suggested list of budget reductions has been met with a strong dose of skepticism by Republican appropriators, particularly since some of the targeted programs are popular among GOP members. For their part, Democrats have indicated that they are not open to any further reductions in nondefense discretionary spending for fiscal year 2017. At this point, it is not clear whether the president would be willing to veto any funding measure that does not endorse these – or other – cuts. However, with only four weeks left before the current Continuing Resolution expires, the White House proposal adds a new level of uncertainty to budget negotiations.

CSAC will keep the Board updated on federal budget issues as more information becomes available. In addition, the National Association of Counties (NACo) is hosting a national conference call tomorrow, <u>Tuesday</u>, <u>April 4 at 12 p.m.</u> Pacific Standard Time to discuss the most pressing federal policy issues facing county governments. Conference call instructions: Call number: 1-719-955-1371, Passcode: 605299.

Please feel free to contact me if you have any questions.

Thank you,

CARA B. MARTINSON

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