

ALCALDE & FAY

GOVERNMENT & PUBLIC AFFAIRS CONSULTANTS

January 11, 2018

To: David Twa, County Administrator
Lara DeLaney, Senior Deputy County Administrator

From: Paul Schlesinger
Anne Cullather
Perrin Badini

Re: 2017 Federal Year End Report

Despite an increasingly partisan and immobilized Congress, and the continuing restrictions on earmarks, we are pleased to report significant progress on several fronts important to Contra Costa County.

Army Corps Projects

Funding was obtained for water resources projects that are high on the County's priority list. In the years since Congress imposed an earmark ban on itself, there are two ways to secure Army Corps funding for local priorities: (1) work with the Administration to have it budgeted in the Administration's budget request, with such amounts routinely approved by Congress, and (2) utilizing provisions funded in appropriations bills that provide additional, unallocated funding for the Army Corps, with instructions that the Corps itself determine how these additional monies are spent as part of a work plan to be submitted to Congress.

We were pleased to work with you in securing, as part of the Army Corps work plan prepared for FY '17 and released in May, an additional \$50,000 for the San Francisco Bay to Port of Stockton project, to rescope the General Reevaluation Report; \$1.82 million for San Pablo Bay/Mare Island Strait (in addition to the \$2.025 million initially requested by the Administration); and \$30,000 for the Suisan Bay Channel (in addition to the \$4.031 million initially requested by the Administration).

With regard to FY '18, the federal government is now operating pursuant to a Continuing Resolution (CR) through January 19. At this point, most observers believe that Congress will pass another CR prior to the 19th to keep the government running for an additional period of time while it tries to work out a budget for FY '18 (which is now over one-quarter over) with programs operating at generally the same funding levels as in FY '17.

While the House and Senate committees reported out their appropriations bills for the Army Corps of Engineers, with funding levels for specific projects reflecting those requested by the Administration, these bills, and the individual project amounts, have not been approved.

Neither the Senate or the House has been able to take individual Appropriations bills to the Floor because of their inability to reach agreement on an overall budget plan. Because of this, any appropriations bills brought to the floor of either chamber could only contain much lower funding levels than most Members feel are required.

For our projects, the amounts included in the Senate and House appropriations bill are as follows:

San Pablo Bay and Mare Island Strait:	\$5.075 million (up from \$2.025 million)
Suisun Bay Channel:	\$7.8 million (up from \$4.031 million)

We are working now to secure/increase funding for our Corps projects as part of the FY '18 work plan, as well as having them included in the President's budget request for FY '19. Toward this end, draft letters have been distributed to our Congressional delegation to send to the Army Corps and Office of Management and Budget.

It is certainly worth noting that while the support of Senator Boxer has been missed (she served as the Chair and/or ranking Democrat on the Senate Committee with legislative jurisdiction over the Corps), Congressman DeSaulnier now serves on the House Committee on Transportation and Infrastructure, which has this same jurisdictional authority in the House. Senator Harris was initially assigned to the Senate Environment and Public Works Committee, the panel led by Senator Boxer. She left that position just last week, however, to assume a seat on the Senate Judiciary Committee left vacant with the resignation of Senator Franken.

Advocacy related to the Sacramento-San Joaquin Delta

We have been pleased to work extensively with County officials and staff in advocating before the federal government to achieve the County's objectives with regard to the Delta. These efforts have generally been in conjunction with other federal advocates working on behalf of their clients; the other members of the Delta Counties Coalition (DCC). Moreover, we have assisted the County in playing a lead role within the DCC on developing and implementing Delta strategies as they relate to the Army Corps of Engineers.

Of particular note in 2017, when some in the DCC seemed to want to focus on promoting the development of new water resources, we worked with County staff to try and assure that the DCC keeps as its priority focus the defeat of the WaterFix. We also worked with staff to assure that the DCC continued to vigorously oppose the San Luis Drain settlement.

During the May DCC trip to Washington, which representatives from the County were unable to join, we attended virtually all of the meetings (there were instances where the schedule demanded that the group split with each person attending only one meeting and missing one conflicting meeting), made sure the County's interests were articulated, and reported back to the County with notes on the entire agenda. In preparation for the trip, we worked with the other DC representatives to help coordinate scheduling for the DCC and arranged many of the meetings that were scheduled with Congress and the Executive Branch.

We have certainly been the lead among DCC advocates with regard to work not just with the Army Corps and the Office of Management and Budget but with the House Committee on Transportation and Infrastructure, the Senate Committee on Environment and Public Works, the Senate and House Appropriations Committees, our Senators, and Congressmen DeSaulnier, McNerney, Thompson, Swalwell, and Huffman.

Funding for Mount Diablo Mercury Mine Clean-up

We continued to work this year toward securing federal funding in the amount of \$483,000 for clean-up of the Mount Diablo Mercury Mine. Given the current moratorium on earmarks, we recognized that it would not be possible to secure a line-item appropriation for this important project. But, with the language that we had worked to include in the Statement of Managers accompanying a previous Water Resources Development Act (WRDA), specifically directing the Army Corps to give priority consideration to the Mount Diablo Clean-up when allocating funds made available for the Remediation of Abandoned Mine Sites program (RAMS), we also recognized that any funding made available in Appropriations bills for the general RAMS program is almost certain to be provided for our project.

We are pleased that the Senate Appropriations bill, at the County's request, includes again \$2 million for the RAMS program, despite the fact that no such funds were requested by the Administration. Senator Feinstein, in her role as ranking Democrat on Senate Appropriations Subcommittee on Energy and Water Development, has been the champion in securing funding for this program. Her staff has been quite explicit in telling us that the funding is intended to assist with our project. In separate and ongoing discussions that County staff and I had during last year with Corps staff responsible for implementing this program, we understand their intent to make available for our project such funds as might be necessary and timely for its moving forward. So, it would appear that there will be sufficient funds to allow the Corps to provide the \$483,000 we require for Mount Diablo at such time as we are ready to use it.

Other Advocacy Projects

From the County's extensive legislative program, we were asked to focus particularly on several appropriations issues. This was an unusual year with regard to the appropriations process, as the FY '17 appropriations bills were not finalized until May, the same month the President released his budget proposal for FY '18 (usually submitted

to Congress in February), subsequent to the time when our requests had to go to the Hill. And, indeed, appropriations bills for FY '18, the fiscal year which began on October 1, have yet to be enacted. Separate appropriations measures have made various degrees of progress in the Senate and House and some pertinent amounts in the pending appropriations bills for programs of interest to the County can be identified – as measures of our progress - as follows:

➤ **Defending Childhood/Children Exposed to Violence Program**

Request = \$23 million in the Commerce, Science and Justice (CJS) Appropriations Bill (equal to President Obama's final budget request). The President's budget request, and both House and Senate CJS bills, effectively consolidated this appropriations account within the Consolidated Youth Oriented Program; however, our request reflected the previous Administration's commitment to the underlying program and request for additional resources.

- Senate: The CJS appropriations bill approved by Committee does not provide any specific funding for this initiative, but includes \$11 million for the Consolidated Youth Oriented Program which is the same as the FY '17 enacted level and the President's request.
- House: The CJS bill approved by the House does not provide any specific funding for this initiative, but includes \$11 million for the Consolidated Youth Oriented Program which is the same as the FY '17 enacted level and the President's request.

➤ **Emergency Management Performance Grant (EMPG)**

Request = \$350 million in the Homeland Security (DHS) Appropriations Bill

- Senate: The DHS appropriations bill approved by Committee would provide \$350 million for the EMPG program, which is equal to the FY '17 enacted level and the President's request.
- House: The DHS appropriations bill approved by the House would provide \$350 million for the EMPG program, which is equal to the FY '17 enacted level and the President's request.

➤ **Community Development Block Grants (CDBG)**

Request = \$3.3 billion in the Transportation, Housing and Urban Development (T-HUD) Appropriations Bill

- Senate: The T-HUD appropriations bill approved by Committee would provide \$3 billion for this program, the same as the FY '17 enacted level.
- House: The T-HUD appropriations bill approved by the House would provide \$3 billion for this program, the same as the FY '17 enacted level.

➤ **Institute of Museum and Library Services (IMLS)**

Request = \$231 million in the Labor, Health and Human Services, and Education (L-HHS-ED) Appropriations bill, consistent with previous year's funding.

- Senate: The L-HHS-ED appropriations bill approved by Committee would provide \$235 million for the IMLS, \$4 million more than the FY '17 enacted level.
- House: The House L-HHS-ED Appropriations bill approved by the House provides \$231 million, the same as the FY '17 enacted level.

Congressional leadership and the White House are working to reach an agreement on a broader budget deal to increase discretionary spending caps in each of fiscal years 2018 and 2019. Once a budget deal is reached, the FY '18 appropriations bills are expected to be approved in short order in a catch-all omnibus spending package.

In addition to managing the issues on the County's legislative platform, and given the dynamic nature of events in Washington, we have also brought various matters of interest to the County's attention and assisted the County when new matters surfaced that required attention or communication with our delegation. Below are a few examples that illustrate the breadth of our support for the County:

- Notified County of efforts to convert Medicaid to a block grant program whereby new caps were estimated to result in a reduction of approximately \$880 billion in federal Medicaid spending over the next 10 years.
- Notified County of potential developments related to tax reform efforts including those impacting state and local tax deductions and tax-exempt status of municipal bonds.
- Updated County on developments related to new policies for recipients of Department of Justice (DOJ) grants, in some cases requiring compliance with federal immigration policies prior to receiving grant funding.
- Notified County of developments related to climate change programs.

Activities such as these certainly contribute to the long-held perception around Capitol Hill and elsewhere in Washington that Alcalde & Fay serves as the County's office here in town; a place that these offices can call, trusting that they will be communicating, if through an agent, with appropriate County officials.

As always, it has been a privilege to represent the County with its efforts as they relate to the federal government. We would be pleased to elaborate on any aspect of this work, and look forward to continuing work on your behalf in the year ahead.