



NACo NATIONAL ASSOCIATION of COUNTIES

NACo LEGISLATIVE BRIEF

Highlights of the FY 2018 Omnibus Federal Spending Package for Counties

Introduction: A massive spending bill, growing federal deficits

Nearly six months after the start of federal fiscal year (FY) 2018, Congressional leaders have reached agreement on a spending package that funds the federal government through the end of the fiscal year on September 30, 2018. President Trump signed the 2,232 page, \$1.3 trillion spending package into law on Friday, March 23, averting a government shutdown and bringing an end to months of short-term funding extensions and partisan jostling over spending levels and policy riders.

The overall \$1.3 trillion of appropriations in the omnibus bill – a combination of \$692 billion in defense funding and \$591 billion in non-defense funding – represents the highest level of funding for the federal government since FY 2011. While this increase in federal spending will benefit counties on a number of fronts, as outlined in detail throughout this document, it will likely push the federal deficit past \$1 trillion by next year, reaching that dubious milestone for the first time since 2012.

Counties and the FY 2018 omnibus: Major victories on key priorities

The FY 2018 omnibus spending package features several significant victories for county governments. Long-standing NACo advocacy priorities receive substantial, and at times unprecedented funding increases in the expansive appropriations bill. The legislation includes historic levels of funding for public lands counties, augments efforts to revitalize America’s infrastructure, boosts support for public health and the fight against the opioid epidemic, increases justice and mental health grants, strengthens counties’ ability to prepare for and respond to disasters and increases investments in elections security. These victories are highlighted in detail throughout this document.

How we got here: Spending caps, sequestration, budget agreements

Heading into FY 2018, Congressional appropriators were operating under the assumption that their spending

KEY COUNTY VICTORIES IN THE FY 2018 OMNIBUS SPENDING BILL

SECURE RURAL SCHOOLS (SRS)	INFRASTRUCTURE PROGRAMS	OPIOID EPIDEMIC RESPONSE	DISASTER RELIEF FUNDING	PAYMENT IN LIEU OF TAXES (PILT)
REAUTHORIZED FOR FY 17 + FY 18	\$10 BILLION IN NEW FUNDING	\$2 BILLION INCREASE OVERALL	BILLIONS IN NEW FUNDING	FULLY FUNDED FOR FY 18



levels would be capped in accordance with the Budget Control Act of 2011, which set limits for discretionary federal spending through FY 2021 to control the nation’s debt and deficit. Moreover, those spending caps were set to be further reduced under “sequestration,” an enforcement mechanism meant to control federal expenditures in the absence of deficit reduction legislation.

This forecast of significantly reduced federal discretionary spending was dispelled on February 8, 2018 with the enactment of the Bipartisan Budget Act of 2018 (P.L. 115-123). The February budget agreement lifted spending caps for both FY 2018 and FY 2019 by nearly \$400 billion over two years, with new allowances split between defense spending and non-defense discretionary dollars. For FY 2018, the budget deal allowed lawmakers an extra \$63 billion in non-defense spending, paving a path

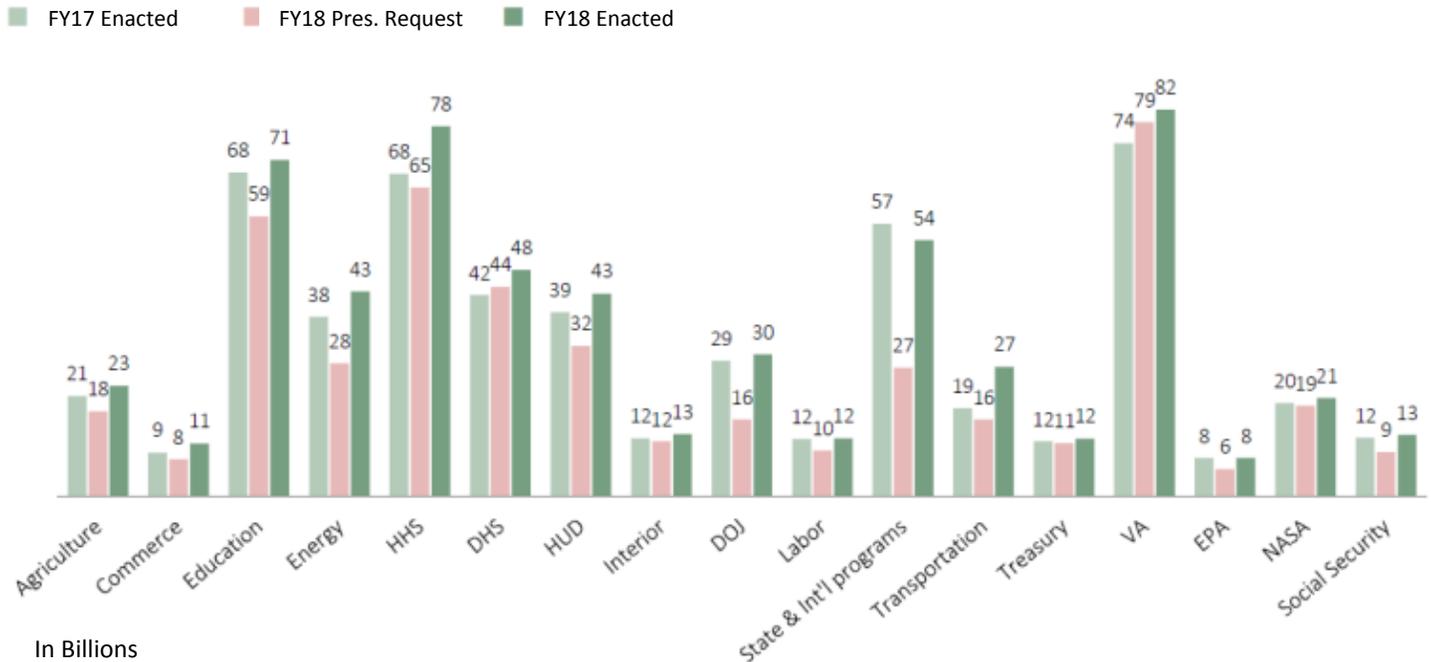
for significant increases to key county-priority federal programs.

Contrary to past budget agreements reached earlier this decade to lift spending caps, however, few of the increased spending allotments for FY 2018 are offset by other spending reductions. As a result, many of these increases will constitute “deficit spending,” or government spending that adds to the federal deficit. In addition to the long-term consequences of mounting national debt, a growing federal deficit could prompt near-term efforts to reduce discretionary spending in FY 2020 and beyond, or to change mandatory spending programs like Medicaid, Medicare and the Supplemental Nutrition Assistance Program (SNAP). These reductions and program changes would strain county budgets, which often serve as safety-nets for populations served by mandatory federal programs like Medicaid.

OMNIBUS POLICY RIDERS OF INTEREST TO COUNTIES

Reauthorization of EPA Brownfields Program	The omnibus reauthorizes the U.S. Environmental Protection Agency’s Brownfields Program through FY 2023 at \$200 million annually. The program helps counties clean up and redevelop areas possibly contaminated by industrial activity.
Extension of FAA Authorization	The omnibus reauthorizes the U.S. Department of Transportation’s Federal Aviation Administration (FAA), as well as the user fees that help fund FAA, through September 30, 2018. FAA programs support many county-owned airports.
Extension of NFIP Authorization	Authorization for the National Flood Insurance Program (NFIP) is extended through July 31, 2018, allowing the Federal Emergency Management Agency (FEMA) to continue issuing new policies while a long-term reauthorization is negotiated in Congress. Business and homes in nearly every county are covered by NFIP policies.
New Wildfire Funding Mechanism	The omnibus funds U.S. Department of Interior (DOI) and U.S. Forest Service (USFS) wildfire suppression activities at the full 10-year average cost. The bill would also include a “fire-borrowing” fix that would allow for spending cap adjustments when the cost of fighting wildfires exceeds the 10-year average starting in 2020.
Extension of Medical Marijuana Protections	The omnibus extends the “Rohrabacher-Farr Amendment” prohibiting the federal government from spending funds to interfere with the implementation of state medical cannabis laws. This amendment is the only layer of protection from federal enforcement for states and counties that have legalized medical marijuana.

OVERVIEW OF OMNIBUS FUNDING LEVELS



Source: National Journal

Section by Section Highlights:

Agriculture and Rural Affairs

Programs throughout the U.S. Department of Agriculture (USDA) help counties invest in rural infrastructure and community development as well as providing nutritional assistance and access to critical healthcare services to some of our nation’s most underserved communities. Overall, the FY 2018 Omnibus provides \$23.3 billion in discretionary funding for USDA, which is \$2.1 billion above the enacted FY 2017 levels.

- Focus on rural poverty:** Of specific interest for counties, the omnibus directs the Office of the Secretary to create a detailed plan with new resources and programs designed to help “break the multi-generational trap of poverty in rural counties” and encourages USDA to utilize existing programs and funding within Rural Development (RD) and the Food and Nutrition Service (FNS) to assist families, create jobs and develop a path towards self-sufficiency.
- New rural broadband pilot program:** The omnibus also provides the Office of the Secretary with \$600 million for a brand new

rural broadband pilot program to “assist in further closing the digital divide” for rural America. According to the omnibus, a “lack of adequate broadband is an impediment to rural economic development, and deployment of broadband service yields a multitude of socioeconomic benefits including: economic growth, improved educational opportunities, and increased access to healthcare options” and the document reiterates that funding should be prioritized to areas currently lacking access to broadband service. Lastly, the omnibus restates the importance of coordination among federal agencies in expanding broadband deployment and adoption and expects USDA to take caution to maximize these limited resources and not overbuild or duplicate existing broadband capable infrastructure.

- New funding for water and waste infrastructure:** The omnibus also provides an additional \$500 million for Water and Waste grants and loans to address infrastructure needs in Rural America and directs the Secretary to prioritize communities that have the greatest infrastructure needs. This

funding is spread over many grant and loan programs throughout USDA including some highlighted below.



Advocacy in action: as Congress was negotiating the FY 2018 omnibus, county officials from all corners of the country took to Capitol Hill during NACo's 2018 Legislative Conference to advocate for federal programs important to counties. Above, Rep. Cathy McMorris Rogers (Wash.), chair of the House Republican Conference, joins county leaders on March 6 to voice support for the Secure Rural Schools (SRS) and Payment in Lieu of Taxes (PILT) programs.

U.S. Department of Agriculture (USDA) Rural Development

The omnibus provides over \$4 billion in total budget authority for USDA's Rural Development programs, \$1.125 billion above the enacted FY 2017 levels. These programs help spur economic growth by supporting basic infrastructure, providing loans to rural businesses and industries and helping strengthen housing markets in rural areas.

USDA Rural Utilities Service

- **Water and Waste Disposal Programs:** The omnibus supports \$1.2 billion in direct loans to the Rural Water and Waste Disposal Program, level with enacted FY 2017 levels. The bill also provides nearly \$400 million in grants for the Water and Waste Disposal Program, which is \$171 million below enacted FY 2017 levels. Additionally, the bill would provide \$40 million in water and waste technical assistance grants, \$20 million above enacted FY 2017 levels. These programs help counties make critical investments in our nation's water infrastructure.
- **Distance Learning, Telemedicine and Broadband Program:** The FY 2017 omnibus provides \$685 million for the Rural Telecommunications Program, which represents a \$5 million decrease from enacted FY 2017 levels. This funding includes \$52 million for Distance Learning and Telemedicine grants, an increase of \$17.5 million from enacted FY 2017 levels. These programs provide broadband services in rural communities to support critical health, workforce development and educational services.

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USDA Rural Housing Service

- **Rural Community Facilities Program:** The omnibus includes \$2.8 billion for the direct loans – an increase of \$200 million above the enacted FY 2017 levels – and \$30 million in grants, a decrease of \$13.8 million from enacted FY 2017 levels. This program helps fund

rural hospitals, schools and health clinics.

- **Rural Housing Loan and Rental Assistance Programs:** The omnibus includes \$24 billion in loan authority for the Single Family Housing Guaranteed Loan Program, equal to enacted FY 2017 levels. Additionally, the omnibus includes \$1.4 billion for the Rental Assistance Program, which is \$60 million less than enacted FY 2017 levels. These programs provide home loan and rental assistance to low-income rural families.

USDA Business-Cooperative Service

- **Rural Business Development Grant Program:** The omnibus includes \$34 million dollars for the Rural Business Development Grant Program. This represents a decrease of \$8.21 million from enacted FY 2017 levels. This program assists rural communities to create and expand new markets and products through strategic investments.
- **Rural Cooperative Development Grants:** The omnibus also includes \$27.55 million for Rural Cooperative Development Grants, a \$1 million increase from FY 2017 levels. This program helps rural communities create and expand new markets and products through strategic investments.

Community, Economic and Workforce Development

On behalf of our communities and citizens, counties invest \$25.6 billion annually in economic planning, housing development and collaboration with businesses to improve local economies. In response to changing economic environments, counties must work with all levels of government and partner with the private sector to meet the needs of our communities.

For example, counties leverage the U.S. Department of Housing and Urban

Development's (HUD) Community Development Block Grants (CDBG) with private and non-profit funding to address many local needs, such as affordable housing and bottlenecks in economic development. Counties are the fundamental platform for collaboration in building regional and state economies as well as the U.S. economy.

U.S. Department of Housing and Urban Development (HUD)

The U.S. Department of Housing and Urban Development (HUD) is funded at \$42.7 billion for FY 2018, a \$3.9 billion increase over FY 2017. HUD's community planning and development programs see a \$866 million increase to \$7.7 billion. These funds help counties promote local economic development.

- **Community Development Block Grant (CDBG):** The Community Development Block Grant (CDBG) receives \$3.3 billion, an increase of \$300 million over the FY 2017 funding level. NACo strongly supports CDBG, which is used to fund vital community, infrastructure and economic development programs.



The Community Development Block Grant (CDBG) receives \$3.3 billion in the omnibus, a \$300 million increase over FY 2017.

- **HOME Investment Partnerships:** The HOME Investment Partnerships (HOME) program receives \$1.36 billion, an increase of \$412 million over the FY 2017 funding level. In addition, the bill extends HOME's 24-month commitment deadline suspension through 2020. NACo strongly supports the HOME program, which helps counties design and implement affordable housing programs for low-income residents.
- **HUD Homeless Assistance/Section 8 Vouchers**
 - **Homeless Assistance Grants:** Homeless Assistance Grants are funded at \$2.5

billion, a \$130 million increase over the FY 2017 level. The bill allocates \$80 million to addressing youth homelessness.

- **Housing Choice Vouchers:** The bill provides \$22 billion for Housing Choice Vouchers, an increase of \$1.7 billion over FY 2017 levels.
- **Choice Neighborhoods Initiative:** The omnibus provides \$150 million for HUD’s Choice Neighborhoods Initiative, an increase of \$12 million over FY 2017.
- **HUD-VASH Program:** The omnibus fully funds the U.S. Department of Housing and Urban Development – Veterans Affairs Supportive Housing (HUD-VASH) Program at \$40 million, level with FY 2017, and also includes \$5 million specifically for a Tribal HUD-VASH program. The HUD-VASH Program combines rental assistance through HUD with wraparound case management services from the VA to reduce homelessness among our nation’s veterans.

U.S. Department of Commerce (DOC)

The U.S. Department of Commerce is funded at \$11.1 billion in the omnibus, a \$1.9 billion increase from FY 2017.

- **Economic Development Administration (EDA):** The omnibus provides \$301.5 million for the Economic Development Administration (EDA), a \$25.5 million increase from the FY 2017 level. President Trump’s FY 2018 budget proposed to eliminate funding for EDA as part of the administration’s goal to reduce the federal debt and align federal spending with what the administration sees as the proper role of the federal government. EDA funding supports regional strategies for long-term growth and serves as a catalyst in helping communities achieve long-term economic growth.

The omnibus directs EDA to assist communities with job losses from nuclear power plant closures by developing best practices within 90 days of enactment of the bill.

The omnibus also directs EDA to use funding provided under Public Works and Economic Adjustment Assistance accounts for the support of high speed broadband—especially in underserved areas.



The omnibus directs the Economic Development Administration to use funding under Public Works and Economic Adjustment Assistance accounts in support of high speed broadband, especially in underserved areas.

U.S. Department of Labor (DOL)

The U.S. Department of Labor (DOL) is funded at \$12.2 billion in the omnibus, \$129 million above FY 2017 levels.

- **Workforce Investment and Opportunity Act (WIOA):** The bill includes \$2.8 billion for Workforce Innovation and Opportunity Act (WIOA) Title I programs, an \$80 million increase over FY 2017 levels. Of this amount, \$845.6 million is included for adults, \$903.4 million for youth, and \$1.041 billion for dislocated workers. WIOA is the modernized workforce development system designed to meet the needs of employers and jobseekers alike. NACo strongly supports WIOA, which is the largest single source of federal funding for workforce development activities and a critical resource to counties.
- **Veterans Employment and Training:** The omnibus provides about \$295 million in

total for veterans employment and training, a roughly \$16 million increase over FY 2017 enacted levels. This program provides military veterans with employment resources and preparation.

- **Job Corps:** The Job Corps program is funded at \$1.7 billion in the bill, which is level with FY 2017 funding. The omnibus directs DOL to “support and incentivize center operators to build and enhance partnerships between centers and other training sites to enhance opportunity and work experiences for students in underserved rural or remote communities as well as in urban settings.”
- **Apprenticeship Grants:** The Apprenticeship Grant program is funded at \$145 million, \$50 million more than FY 2017.

Energy, Environment and Land Use

Counties are tasked with ensuring environmental protection while maintaining the economic vitality of their region. The county role in environmental protection and energy is varied, ranging from air and water quality protection, solid waste disposal and energy resource allocation. In many cases, counties serve as co-regulators with states and the federal government at the local level.

U.S. Environmental Protection Agency

Under the omnibus bill, the U.S. Environmental Protection Agency (EPA) is allotted \$8.06 billion for FY 2018, which is level with FY 2017. EPA is the federal agency tasked with protecting human health and the environment.

- **Brownfields funding:** For FY 2018, EPA’s Brownfields project grant program receives \$80 million. This is level funding compared to FY 2017. Brownfield sites are abandoned or under-utilized industrial and commercial properties, which are contaminated (or perceived to be contaminated) due to past practices. EPA’s Brownfields program provides technical assistance and grants for

communities to undertake brownfields redevelopment projects at old manufacturing and industrial facilities, abandoned mills and mines and areas with leaking underground storage tanks.

Although the program expired in 2006, its popularity has prompted Congress to appropriate funds on an annual basis. NACo supports federal funding for environmental cleanup of brownfields. According to EPA, there are over 400,000 brownfield sites nationwide.

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The omnibus includes a provision, supported by NACo, to reauthorize EPA’s Brownfields program at a level of \$200 million from FY 2019 through FY 2023.

- **Policy Rider on Brownfields Reauthorization:** The omnibus includes a provision, supported by NACo, to reauthorize EPA’s Brownfields program at a level of \$200 million from FY 2019 through FY 2023. The provision would also make several improvements to brownfields law that will result in more sites being cleaned up, such as:
 - **Expanding liability protections for voluntarily and involuntarily acquired brownfield sites** for state and local governments.
 - **Creating multipurpose brownfield grants** up to \$1 million that would allow communities to undertake multiple site brownfield projects under the same grant.
 - **Increasing funding for brownfields remediation clean up grants** from \$200,000 to \$500,000 per grant and allowing EPA to waive that limit up to \$650,000 based on need.

- **Classifying abandoned petroleum sites as brownfields** if there is no viable responsible party, and if the EPA and the state determine the entity assessing and remediating the site is not liable to clean up the site. Close to half of brownfields are contaminated by leaking underground storage tanks such as those found at unused gasoline stations.
- **Capping administrative costs at five percent** while stipulating that administrative costs do not include investigation and identification, design of response plan or monitoring activities.
- **Providing small community technical assistance grants** of \$20,000 to states for communities with populations under 15,000 and/or in disadvantaged areas where the annual median household income is less than 80 percent of the state-wide annual median.



The Clean Water State Revolving Fund and the Drinking Water State Revolving Fund both receive \$300 million increases in the omnibus.

- **Clean and Drinking Water State Revolving Funds:** The Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) receive \$2.25 billion combined in the omnibus. SRF programs help finance state and local drinking water and wastewater infrastructure projects. NACo supports CWSRF and DWSRF as supplements to, not a substitute for, other federal grants.
- **CWSRF:** The CWSRF receives \$1.69 billion for Clean Water Act (CWA) municipal wastewater infrastructure

construction or upgrade projects, which is \$300 million above FY 2017.

- **DWSRF:** The DWSRF receives \$1.16 billion in the omnibus to support Safe Drinking Water Act (SDWA) infrastructure projects, \$300 million above FY 2017.
- **Policy rider:** The omnibus instructs states to use no less than ten percent of a state's given SRF monies for green infrastructure, water or energy efficiency improvements or other environmental innovative activities, and it provides flexibility to address lead drinking water problems in state SRFs.
- **Drinking Water Grant Programs:** The omnibus includes funding for three new grant programs authorized through the 2016 Water Infrastructure Improvements for the Nation Act (WIIN Act) to address lead in drinking water. This includes \$20 million for a voluntary school lead testing grant program, \$10 million for a lead reduction project grants, and \$20 million to provide technical assistance for improved water quality and adequate waste water management to small systems or individual private well owners.
- **Water Infrastructure Finance and Innovation (WIFIA) program:** The omnibus includes \$63 million for the Water Infrastructure Finance and Innovation (WIFIA) program, a \$33 million increase over the FY 2017 funding level. Created in 2014, WIFIA provides long-term, low-cost loans for large water and wastewater projects.
- **Regional Water Grants:** The bill provides \$448 million overall for regional water grants, a \$12 million above FY 2017 levels. The Great Lakes Restoration Initiative and the Chesapeake Bay program received \$300 million and \$73 million, respectively, level with FY 2017. The Gulf of Mexico was allotted \$12.5 million, \$4 million above FY 2017, to address hypoxia issues. The Long Island Sound and South Florida programs

were each increased by \$4 million over FY 2017, to \$12 million and \$8.4 million respectively. These grants help local communities meet federal water quality standards.



The omnibus includes \$63 million for the Water Infrastructure Finance and Innovation (WIFIA) program, nearly doubling FY 2017 funding levels.

- **Diesel Emission Reductions Grants (DERA):** The omnibus funds DERA at \$75 million, \$15 million over FY 2017 levels. DERA helps local governments and other entities install modern pollution control equipment on trucks, buses and heavy equipment, which assists counties in meeting federal air quality standards. The omnibus directs EPA to use at least 70 percent of DERA grants in areas that do not meet federal standards.
- **Coal Ash:** The omnibus contains \$6 million to develop and implement a federal program for the regulation of coal combustion residuals in non-participating states. Coal ash is a byproduct of combustion at power plants. In recent years, concerns have been raised about disposal and reuse of coal ash. In 2015, Congress delegated responsibility to the states who can choose to opt-in or out for oversight. In those states that opt-out, EPA will regulate coal ash within the jurisdiction's borders.

Leaking Underground Storage Tank (LUST)

Program: The LUST program receives \$91 million, level funding with FY 2017 enacted levels. Many counties provide oversight and cleanup of fuel from underground storage tanks. NACo supports full funding for the LUST program, which should only be used for its intended purpose of remediating and preventing further contamination caused by underground storage tanks.

- **Policy Rider on Groundwater Regulation at Solid Waste Facilities:** The omnibus includes a rider on EPA's recent information request to determine whether groundwater should be regulated under the Clean Water Act (CWA). The rider asks EPA to consider regulating groundwater releases from solid waste facilities under the Resource Conservation and Recovery Act (RCRA), rather than under the CWA.
- **Policy Rider on Biomass:** While the EPA section of the omnibus features numerous riders, few are as controversial and as relevant to county governments as the EPA directive to treat air emissions from forest biomass as carbon neutral. The amendment in the omnibus clarifies that biomass should be treated equally to other renewable energies and not subject to air regulations. In the past several years, a debate has raged on whether biomass should be considered a viable renewable energy source since it releases carbon when it is burned.
- **Not Included in the Bill:** A rider to authorize immediate withdrawal of the 2015 "Waters of the U.S." rule was not included in the omnibus. The omnibus also does not include any language to block implementation of EPA's 2015 National Ambient Air Quality Standards rule on ozone emissions.

U.S. Department of Energy

Under the omnibus, the U.S. Department of Energy (DOE) receives \$34.52 billion, an increase of \$3.77 billion compared to FY 2017.

- **Energy Efficiency and Renewable Energy Funding:** The bill provides \$2.3 billion for DOE's Office for Energy Efficiency and Renewable Energy (EERE), a \$231 million increase over FY 2017 levels. EERE's mission focuses on the development and promotion of clean, affordable and secure energy. Specifically, the department is encouraged to facilitate training and workforce development programs that assist and support workers in trades and activities

required for the U.S. energy efficiency and clean energy sectors.

- **Modernize the Nation’s Energy Infrastructure:** Under the bill, \$248 million would be appropriated for activities to upgrade the nation’s electric grid and protect it against cyber and other attacks. This is \$18 million more than FY 2017 enacted levels.
- **Weatherization:** Under the omnibus, DOE’s weatherization program receives \$251 million, up \$23 million from FY 2017. The Weatherization Assistance Program (WAP) helps low-income families make their homes more energy efficient while reducing their energy bills. The federal government provides money to the states, which then fund community programs (including local governments) to oversee WAP. NACo supports WAP.
- **Environmental Cleanup:** One of DOE’s primary missions includes cleanup of the Manhattan Project, which built the first atomic bomb. The omnibus includes \$7.1 billion to clean up contamination from nuclear weapons research and production activities – \$706 million above FY 2017 funding levels. NACo supports efforts by the federal government to clean up existing and former nuclear weapon sites.
- **Not included in the bill:** As in previous years, there is no funding to move forward with the development of Yucca Mountain, a permanent nuclear waste storage facility.

Finance, Pensions and Intergovernmental Affairs

U.S. Department of Commerce

- **U.S. Census Bureau:** As efforts continue on the 2020 Census, the omnibus package provides \$2.8 billion for the U.S. Census Bureau. This represents a \$1.3 billion increase over FY 2017 levels, an increase consistent with spending surges implemented prior to previous decennial censuses. NACo supports full funding for

the ACS, the Census Bureau and the Bureau’s Local Update of Census Addresses (LUCA) Program to ensure a complete and accurate list of addresses can be enumerated during the 2020 Census.

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The bill also provides \$380 million in grants under the Help America Vote Act (HAVA) for election security improvements, including enhancements to election technology.

Election Assistance Commission (EAC)

- **EAC funding:** The FY 2018 omnibus provides \$10.1 million in base funding for the EAC, a \$0.5 million increase over FY 2017 levels. The EAC is an independent, bipartisan commission charged with developing guidance to help jurisdictions meet requirements established under the Help America Vote Act (HAVA) of 2002. Other EAC duties include establishing voluntary voting system guidelines, serving as a national clearinghouse of information on election administration, certifying voting systems and auditing use of HAVA funds. NACo supports continued funding for the EAC and appreciates the role the EAC plays in coordinating collaborative efforts among local, state and federal government officials in addressing issues from the accessibility of polling places to the cybersecurity of voting equipment and voter registration databases.
- **Additional HAVA elections grants available for cybersecurity:** The omnibus package also includes \$380 million in HAVA funding to states for “election security improvements,” including enhancing “election technology.” The EAC is authorized to issue these grants, which states can use to meet their most pressing priorities, including safeguarding the cybersecurity of federal elections. NACo

supports efforts by Congress to address cybersecurity threats to elections and encourages Congress and the EAC to ensure cybersecurity funding for local governments is available and sustainable.

Not in the omnibus bill: online and remote sales tax legislation

Under current law, states, counties and other municipalities are not able to collect existing sales taxes on remote and online purchases from vendors in other states. In addition to causing local governments to forgo revenue, this system creates a burden on brick and mortar retailers who do collect these taxes, which support local infrastructure, emergency services and other conveniences on which out-of-state vendors rely.

While congressional champions of legislation that would allow states and counties to collect these existing taxes worked closely with leadership over the past month to include a legislative fix in the final bill, it was ultimately left out of the omnibus package. The U.S. Supreme Court is scheduled to hear arguments in April on *South Dakota v. Wayfair*, a court case that addresses the remote sales tax issue and could offer a ruling allowing these existing taxes to be collected. NACo strongly supports allowing counties to collect these existing taxes on all sales, and counties will continue working with our congressional champions to ensure a legislative fix that grants local governments this authority.

Health and Human Services

Counties create support systems to keep Americans healthy from before they are born until they grow old by providing public health information, clinical services, behavioral health services, children's care, services to the elderly, emergency medical services and various healthy living programs. Often, states require counties to provide health services to low-income and uninsured people.

County governments actively support health care providers in our jurisdictions and invest more than \$86 billion annually in community

health services and systems. From preventative measures like administering flu shots to educating the public on health issues, counties are involved in protecting Americans' health through nearly 2,000 local health departments.



Advocacy in action: NACo President Roy Charles Brooks of Tarrant County, Tex. leads a Capitol Hill briefing during NACo's 2018 Legislative Conference on March 6 to highlight the pivotal role of counties in supporting America's underserved residents.

Through 750 behavioral health authorities and community providers, county governments plan and operate community-based prevention and treatment services for persons with mental illness and substance use conditions. County-based behavioral health systems exist in 23 states that represent 75 percent of the U.S. population. Counties also support over 900 hospitals that provide clinical services, cancer and cardiac care, and emergency and trauma care. By supporting approximately 840 nursing homes, counties promote quality of life and wellness for the elderly.

In addition to health services, counties play a pivotal role when it comes to providing our residents with critical human services. Counties provide and administer federal, state and local systems of services to break cycles of poverty, from early childhood development and nutrition assistance programs to workforce and economic development. In fact, counties invest \$58 billion annually in federal, state and local funds in human services while serving as the front-line social safety net.



The Centers for Disease Control and Prevention (CDC), which funds a significant portion of county public health departments' budgets, receives \$8.3 billion under the omnibus, a \$1 billion increase over FY 2017.

U.S. Department of Health and Human Services (HHS)

The omnibus funds the U.S. Department of Health and Human Services at \$78 billion, a \$10 billion increase above FY 2017 levels. The legislation targets funds for effective, proven programs improving the health, safety and quality of life for Americans. Much of the increase in HHS funding levels for FY 2018 supports federal efforts to address opioid abuse.

Public Health Programs

- **Centers for Disease Control and Prevention:** Approximately 2,800 local public health departments, two-thirds of which are county-based, receive roughly 25 percent of their funding from the federal government, primarily through the Centers for Disease Control and Prevention (CDC).

The CDC receive \$8.3 billion, a \$1 billion increase compared to FY 2017. Notably, CDC would receive an additional \$350

million to advance the understanding of the opioid overdose epidemic and scale up states' prevention activities. Other significant increases of relevance to counties include a \$45 million increase for public health preparedness and \$30 million for infectious diseases programs.

- **Chronic disease prevention and health promotion programs:** Discretionary funding in support of public health efforts to prevent the leading causes of preventable deaths are increased by \$47 billion, including a \$5 million increase to support efforts in high obesity counties.

The Prevention and Public Health Fund – the first dedicated funding stream established in the Affordable Care Act to support community prevention efforts – is maintained at \$800 million.

Other federally funded public health programs that support county public health efforts received level funding, including the Racial and Ethnic Approaches to Community Health (REACH) program and the Preventive Health and Health Services Block Grant.

Behavioral Health Programs

- **The Substance Abuse and Mental Health Services Administration (SAMHSA):** Approximately 750 county behavioral health authorities receive block grant funding from the Substance Abuse and Mental Health Services Administration (SAMHSA) to plan and operate community-based services for people with mental illnesses and substance use conditions.

SAMHSA receives \$5.2 billion, a \$1.4 billion increase over FY 2017 levels. SAMHSA's work specifically with mental health programs sees an increase of \$306 million and their work supporting substance use prevention and treatment activities receives \$1.1 billion in new funding.

- **Programs to Enhance Behavioral Health Workforce:** The omnibus provides an increase of \$25 million to expand both the mental health and substance abuse workforce and expands eligibility for loan repayment through the National Health Service Corps to include substance abuse disorder. In addition, certified community behavioral health clinics receive an increase of \$100 million and mental health first aid programs are increased by \$5 million.
- **SAMHSA’s Community Mental Health Services Block Grant:** SAMHSA’s Community Mental Health Services Block Grant, which helps fund counties’ mental health services, receives an increase of \$160 million over FY 2017 levels, for a total of \$701.5 million.
- **SAMHSA’s Substance Abuse Prevention and Treatment (SAPT) Block Grants:** SAPT Block Grants, which county behavioral health authorities have traditionally relied upon, receive level funding at \$1.9 billion. The report language recommends states be given greater flexibility under SAMHSA to focus on opioid prevention activities and direct resources in accordance with local needs.
- **Opioid State Target Response Grants:** Originally created under the 21st Century Cures Act, funding for the Opioid State Target Response Grants is doubled to \$1 billion in its second year. While a percentage of the funds is allocated to states with the highest mortality rates due to opioid use disorders, no state will receive less than \$4 million. Also of importance to counties, a new “Rural Communities Opioid Response” program is funded at \$130 million with the explicit aim of reaching hard-hit rural communities across America.

- **Substance use policy rider:** While the omnibus maintains a prohibition on using federal funds for the purchases of syringes or sterile needles, it does allow communities with rapid increases of HIV and Hepatitis cases to access federal funds for other activities, such as counseling and treatment referrals.



The Substance Abuse and Mental Health Services Administration (SAMHSA), the main source of federal funding related to the opioid epidemic, receives \$5.2 billion in the omnibus, a \$1.4 billion increase over FY 2017.

Human Services Programs

The omnibus maintains funding for many programs counties use to provide human services to vulnerable members of our communities.

- **Social Services Block Grant (SSBG):** SSBG receives \$1.7 billion, which is level with FY 2017 funding. SSBG is county-administered in 10 states and provides funds for activities serving vulnerable populations, including adults and children at risk of abuse and neglect. NACo strongly supports SSBG.
- **Head Start:** The Head Start program receives \$9.9 billion, a \$610 million increase. This funding includes \$755 million for Early Head Start. NACo supports increased investments in county-run early childhood programs such as Head Start, which ensures educational, nutritional and social services are available to pre-school children.

- **Child Care and Development Block Grant:** The discretionary portion of the Child Care and Development Block (CCDBG) grant receives \$5.2 billion for FY 2018, an increase of \$2.37 billion over FY 2017 levels. CCDBG is the primary federal funding source supporting child care for low-income families.



The discretionary portion of the Child Care and Development Block (CCDBG) grant receives \$5.2 billion for FY 2018, an increase of \$2.37 billion over FY 2017 levels.

- **Low-Income Home Energy Assistance Program (LIHEAP):** The Low-Income Home Energy Assistance Program (LIHEAP) is funded at \$3.6 billion, an increase of \$250 million from FY 2017 levels. LIHEAP delivers critical short-term aid to our nation’s most vulnerable populations, including the low-income, the disabled and the elderly, to pay for home heating and cooling costs.
- **Community Services Block Grant (CSBG):** CSBG, a NACo-supported program, is funded at \$742 million, the same level as FY 2017. CSBG allows counties to design and implement anti-poverty programs tailored to an individual community’s needs.
- **Administration for Community Living:** The omnibus provides \$2.2 billion for the Administration for Community Living, an increase of \$178 million over FY 2017 levels.
- **Senior Nutrition Programs:** The bill provides \$897 million for senior nutrition programs, a \$59 million increase, for programs supporting senior nutrition such as Meals on Wheels.

Food and Nutritional Assistance Programs

The omnibus cuts funding for food assistance programs including the Supplemental Nutrition Assistance Program (SNAP) and the Women, Infants and Children (WIC) Nutrition Program, both of which provide access to healthy food for low-income individuals and families.

- **Supplemental Nutrition Assistance Program (SNAP):** The bill provides \$74 billion in mandatory funding for SNAP. This is \$4.5 billion below the FY 2017 level and \$400 million above the president’s FY 2018 budget request. This total includes \$3 billion for the SNAP reserve fund, which is used to cover any unexpected participation increases. SNAP offers nutrition assistance to low-income individuals and families, and NACo supports continued funding for SNAP.
- **Women, Infants and Children (WIC) Nutrition Program:** The bill provides \$6.17 billion in discretionary funding for the WIC program, which is \$175 million below FY 2017 enacted levels. The WIC program aids low-income pregnant, postpartum and breastfeeding women, as well as infants and children up to age five who are at risk, by providing food to supplement diets, information on healthy eating and referrals to health care. NACo supports federal initiatives, including nutrition and food support programs, that help counties develop and expand early childhood and parent education programs, including the continued expansion of WIC.
- **Child nutrition programs:** The bill provides \$24.3 billion in mandatory funding for child nutrition programs. This is a \$1.5 billion increase from the FY 2017 enacted level. This funding provides free or reduced-price school lunches and snacks for children who qualify for the program. In addition, the bill increases funding for a pilot program that provides funds through SNAP or WIC electronic benefit transfer (EBT) cards to ensure children in underserved communities receive food during the

summer months when they are not in school.

U.S. Department of Education

The omnibus bill funds the U.S. Department of Education at \$70.9 billion, a \$2.6 billion increase from FY 2017 funding levels.

- **Title I Grants to School Districts:** The omnibus provides \$15.8 billion, an increase of \$300 million from the FY 2017 level.
- **Special Education:** The bill includes \$12.3 billion for Individuals with Disabilities Education Act (IDEA) special education grants to states, an increase of \$275 million from the FY 2017 level, maintaining the federal share of special education funding to states.
- **Pell Grants:** The maximum Pell Grant award is increased to \$6,095, funded by a combination of discretionary and mandatory funds. NACo supports continued funding of Pell Grants, which ensure equal educational opportunity for all.

U.S. Department of Veterans Affairs

- **Veteran Caregivers Program:** The omnibus includes roughly \$839.8 million for the veteran caregivers program, an increase of over \$100 million from FY 2017. The program allows veteran family caregivers to provide in-home care to disabled veterans in lieu of institutionalized care and provides savings to local governments, including counties, that may otherwise be responsible for these services.
- **Homeless Veterans' Assistance Programs:** The bill provides nearly \$1.75 billion for the VA's homeless assistance programs, including \$340 million for the Supportive Services for Veteran Families (SSVF) program, which is \$20 million above the president's FY 2018 budget request. SSVF provides funds to counties and other local entities to help very low-income veterans and their families who are homeless or at risk of becoming homeless obtain and retain permanent housing.

- **Medical Community Care:** The FY 2018 omnibus provides \$419.18 million for medical community care for FY 2018, on top of the \$9.41 billion in advance appropriations already provided via the FY 2017 appropriations package, to pay for care provided to eligible veterans at non-VA community providers. Altogether, this represents an increase of over \$2.5 billion compared to FY 2017. The bill also includes over \$8.38 billion in advance appropriations for FY 2019.

Programs Not Included in Omnibus

- **Temporary Assistance for Needy Families (TANF):** Since the Temporary Assistance for Needy Families program (TANF) was extended through September 30, 2018, it was not included as part of this year's omnibus bill. The FY 2017 omnibus bill provided \$16.5 billion for TANF, which was consistent with FY 2016 funding levels. Like SSBG, TANF is county-administered in 10 states. TANF is a federal cash assistance program for low-income families with children that is designed to produce better outcomes for kids and help adults move from welfare to work. TANF is due for reauthorization at the end of FY 2018.
- **Deferred Action for Childhood Arrivals (DACA):** The Deferred Action for Childhood Arrivals (DACA) program was not addressed in the omnibus bill. After the Trump Administration announced DACA would end on March 5, 2018, congressional lawmakers worked for months to find a consensus on a legislative fix for the program. However, despite efforts on both sides of the aisle, no agreement was reached. The failure to reach a DACA deal continues a legal limbo for the immigrants covered by the program, who for now remain protected from deportation under court orders.

Roughly 700,000 immigrants have been protected under DACA, a program that gives certain young undocumented immigrants a two-year period of protection from deportation and allows them to work

in the United States. NACo supports Congress enacting the Development, Relief and Education for Alien Minors (DREAM) Act or similar legislation that would allow certain undocumented immigrants who entered the country as children to attain legal status if they pass a background check, demonstrate good moral character and meet certain education requirements.

Justice and Public Safety

Maintaining safe communities is one of the most important functions of county governments. Counties invest over \$70 billion annually in providing justice and public safety services to our residents, working together with all levels of government to improve public safety, safely reduce jail populations, fight recidivism and combat criminal activity such as drug trafficking. Most counties are involved in almost every aspect of law enforcement and crime prevention, including policing, corrections, and judicial

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DOJ’s Comprehensive Opioid Abuse Program, which funds local opioid-related initiatives including overdose outreach projects and data-driven responses to opioid misuse, sees a huge injection of new funding, increasing more than ten-fold from \$13 million in FY 2017 to \$145 million in FY 2018.

and legal services. Further, counties own and support the operation, construction and maintenance of 91 percent of America’s local jails, which admit 11.4 million individuals each year.

U.S. Department of Justice (DOJ)

Overall, the U.S. Department of Justice (DOJ) is funded at \$30.3 billion in the omnibus, representing an increase of \$1.3 billion from FY

2017 funding levels. Within this increase are significant injections of funding to long-time priority programs for counties, including unprecedented or nearly unprecedented funding levels for some of these key programs. As with opioid funding under the U.S. Department of Health and Human Services, DOJ opioid programs receive major increases across the board.

- **Supporting State and Local Response to the Opioid Epidemic:** Given that funding for our nation’s response to the opioid epidemic is a major emphasis in the FY 2018 omnibus, it should come as no surprise that drug and addiction-focused DOJ programs receive significant funding increases in the bill. Funding for drug courts is increased to \$75 million, a \$32 million increase over FY 2017. Veterans treatment court funding is increased to \$20 million from the previous year’s \$7 million in funding. Funding for Prescription Drug Monitoring Programs (PDMPs) is more than doubled, from \$14 million to \$30 million. Lastly, the Comprehensive Opioid Abuse Program (COAP), which contains several other opioid-related initiatives including overdose outreach projects and data-driven responses to opioid misuse, received a huge injection of new funding, increasing more than ten-fold from \$13 million in FY 2017 to \$145 million in FY 2018.
- **Mentally Ill Offender Treatment and Crime Reduction Act (MIOTCRA):** The omnibus provides \$30 million in funding for MIOTCRA, \$18 million above the FY 2017 level. This represents the highest level of funding for the program since it was established in FY 2006. MIOTCRA grants are utilized by counties to reduce the number of individuals with mental illness in jails, from jail diversion programs and mental health courts to in-jail treatment and transitional services.
- **State Criminal Alien Assistance Program (SCAAP):** The omnibus provides \$240 million in funding for the SCAAP program for FY 2018, representing a \$30 million

increase above FY 2017 levels. SCAAP reimburses states and local governments for the cost of incarcerating undocumented immigrants who have been convicted of certain crimes. This funding increase is especially significant given the fact that SCAAP has been targeted for elimination by both the Trump and Obama administrations in recent years.

- **Byrne Memorial Justice Assistance Grants (JAG):** The omnibus allocates \$415.5 million for the Byrne JAG program, an increase of \$12.5 million compared to FY 2017 levels. The Byrne JAG program enables counties across the nation to utilize emerging and evidence-based approaches to the public safety challenges facing their jurisdictions. DOJ continues to withhold FY 2017 Byrne JAG funds, and will presumably also withhold FY 2018 funds, pending the outcome of litigation with the city of Chicago regarding local policies related to immigration.



The omnibus provides \$30 million in funding for MIOTCRA, \$18 million above the FY 2017 level. **This represents the highest level of funding for the program since it was established in FY 2006.**

- **Compliance with federal laws:** The omnibus includes language directing DOJ to ensure that all applicants for Byrne JAG, SCAAP and the Community Oriented Policing Services (COPS) program are in compliance with all applicable federal laws. This compliance requirement is currently at issue in the above-mentioned litigation between Chicago and DOJ, but has thus far only been applied by DOJ to the Byrne JAG program.
- **Reducing immigration backlogs:** The omnibus directs DOJ to accelerate its

recruitment, background investigation and placement of immigration judge teams, and to brief Congressional committees on its plans to deploy or reassign these teams to high-priority locations no later than 30 days after enactment of the omnibus. DOJ is also directed to produce monthly reports detailing the status of its hiring and deployment of immigration judges.

- **Second Chance Act Grants:** The omnibus provides \$89 million in funding for Second Chance Act grants, a \$30 million increase from FY 2017 levels. This is the highest level of funding for the program since FY 2010 and the second highest level in the program's history. Second Chance Act grants strengthen local programs that aim to help individuals successfully reintegrate into their communities following their release from incarceration. Successful reintegration results in lower rates of recidivism, improves public safety and provides significant savings to counties.
- **Juvenile Justice Delinquency Prevention Act (JJDP):** The omnibus funds JJDP at \$282 million, representing a \$35 million increase over FY 2017 funding levels. JJDP is the principal federal program through which the federal government sets standards for the care and custody of juveniles, and provides direct funding to counties to help them comply with these federal standards and assess and improve their youth justice systems.

U.S. Department of Homeland Security (DHS)

Several key grant programs and funds under DHS and its Federal Emergency Management Agency (FEMA) receive sizable increases and injections of new funding under the FY 2018 omnibus. These programs help counties prepare for, respond to, and recover from both man-made and natural threats and disasters, ranging from terrorism to hurricanes and floods. These programs are of critical importance to the safety and security of counties across the country, especially as

natural disasters strike with more frequency and result in greater damage.

Federal Emergency Management Agency

- **Disaster Relief Fund:** FEMA's Disaster Relief Fund receives a nearly \$8 billion injection of new funds under the omnibus, of which \$7.3 billion is designated for disaster relief related to major disasters. The Disaster Relief Fund is the primary funding source for federal disaster response and recovery. This new funding adds to the \$135 billion already appropriated over the last several months following the major hurricanes and wildfires of 2017. Unlike most other federal programs that support states and localities, the Disaster Relief Fund is a "no-year" account, meaning that unused funds left over from previous years are carried over to the next fiscal year.



The omnibus provides a nearly \$8 billion injection of new funds for the Disaster Relief Fund and directs FEMA to make recommendations to Congress for modifying the federal disaster declaration process.

- **Changes to Federal Disaster Declaration Process:** The omnibus directs FEMA to provide Congress with recommendations for modifying the disaster declaration process to better focus federal assistance on events during which state and local capabilities are "truly overwhelmed" or lives and property are at risk. FEMA is further directed to include an assessment of the suitability of the current per-capita indicator used in presidential disaster declarations, consideration of the "severe local impacts of disasters," and analysis of the disaster deductible model and any other

policy changes FEMA is considering. Changes to the presidential declaration process or the current per-capita indicator could result in significantly fewer disasters qualifying for federal aid.

- **Emergency Management Performance Grants (EMPG):** Under the omnibus, EMPG, a long-standing priority of NACo's Justice and Public Safety committee, receives \$350 million in FY 2018 funding, the same level provided in FY 2017. EMPG funds to build and sustain core capabilities across the prevention, protection, mitigation, response and recovery mission areas. Many local governments use EMPG for emergency management training and necessary equipment, and the program is often credited with helping jurisdictions coordinate their operations in a manner that enables local-to-local assistance after significant disasters.
- **National Predisaster Mitigation Fund:** FEMA's National Predisaster Mitigation Fund receives \$249 million in FY 2018, a major increase of \$149 million over FY 2017. The fund helps to mitigate risks, reduce damage from future disasters and lower flood insurance premiums for homes and businesses. The omnibus frames this funding increase as an opportunity to advance capital projects ready for investment in a manner that reduces risks. The increase in funding also aligns with FEMA's ongoing recent focus on disaster mitigation.
- **National Flood Insurance Program (NFIP) extension:** The omnibus extends the authorization of NFIP through July 31, 2018 to provide members of Congress further opportunity to negotiate a long-term reauthorization of the bill. NFIP provides flood insurance coverage to homes and business in more than 90 percent of counties throughout the country. The authorization of the program lapsed at the end of FY 2017, and NFIP has continued to operate

under a series of short-term extensions since. The program has carried billions of dollars in debt for a number of years and its current formulation is widely considered unsustainable in the face of frequent and costly flooding in many states.

- **National Flood Insurance Fund:** FEMA's National Flood Insurance Fund receives \$203 million in new funds under the omnibus, following significant flooding in several states as a result of major hurricanes in 2017. The fund is a premium revenue and fee-generated fund that supports the National Flood Insurance Program (NFIP), which provides more than a trillion dollars in insurance coverage throughout the country.
- **Flood Hazard Mapping and Risk Analysis:** The omnibus provides \$262.5 million for the Flood Hazard Mapping and Risk Analysis program. This reflects an increase of \$85 million over FY 2017 funding levels. According to the omnibus, this funding increase will allow FEMA to accelerate improvements to efforts to make flood risk maps more accurate, including by accelerating light detection and ranging mapping efforts. The omnibus also encourages FEMA to maximize public awareness and interaction when mapping or remapping an area to ensure new maps most accurately reflect real-time, local conditions.
- **Urban Area Security Initiative (UASI):** The omnibus provides \$630 million for the Urban Area Security Initiative (UASI). This represents a \$25 million increase over FY 2017. UASI assists high-threat high-density metropolitan areas in efforts to build and sustain the capabilities necessary to prevent, protect against, mitigate, respond to and recover from acts of terrorism. FEMA is directed under the omnibus to conduct risk assessments for the 100 most

populous metropolitan areas prior to making UASI awards.

- **State Homeland Security Grant Program:** The omnibus funds the State Homeland Security Grant Program at \$507 million, a \$40 million increase over FY 2017 levels. This program supports state, local and tribal efforts to prevent terrorism and other catastrophic events and to prepare the nation for the threats and hazards that pose the greatest risk to the security of the U.S. and its residents. A carve-out of \$85 million is set aside under this program for Operation Stonegarden.

Border Security Funding

- The FY 2018 Omnibus provides \$1.6 billion for enhanced border security along the U.S.-Mexico border. Most of this funding is set aside for specific enhancements, such as \$251 million for approximately 14 miles of secondary replacement barriers near San Diego. A major caveat to this new funding under the omnibus is that it cannot be used to construct new types of border security, like those recently inspected by President Trump in southern California, and can only be used to fund designs that are already "operationally effective." President Trump had sought \$25 billion in new border security funding and threatened a last-minute veto of the FY 2018 omnibus bill in part because of this relative lack of funding.

Public Lands

The management of America's public lands is of great concern to elected county officials. Federal land management decisions are critically important to elected officials and the local community because of the close relationship between our public lands and the well-being of the local economy. County officials must be full and active partners in ongoing discussions at the federal level about how to develop, manage and conserve nearby public lands so that they benefit the county, the local economy and a diverse set of users for generations to come.

Additionally, as county governments are unable to collect property taxes from the public land in their jurisdictions, they rely heavily on funds from the Payments in Lieu of Taxes (PILT) program, as well as other revenue sharing programs including Secure Rural Schools (SRS), mineral leasing, geothermal energy development and wildlife refuge revenue sharing, which share revenues from economic activity on public lands with counties and schools.

Key Public Lands Highlights

- ✓ PILT funded at \$530 million
- ✓ SRS reauthorized for FY17 + FY18
- ✓ New tools for active forest mgmt.
- ✓ Comprehensive wildfire funding fix

U.S. Department of Interior (DOI)

The U.S. Department of the Interior is funded at \$13.1 billion, \$863 million above the FY 2017 level.

- **Payments in Lieu of Taxes (PILT):** The PILT program is fully funded at \$530 million, \$65 million above FY 2017. Counties cannot collect property taxes on federal land, but must still provide essential services for residents and those who visit public lands each year. PILT helps offset the cost of

these services, which include road and bridge maintenance, law enforcement, search and rescue, emergency medical and fire protection, solid waste disposal and environmental compliance. Full-funding of PILT is a long-standing NACo priority.

Wildfire Fighting and Prevention

- **DOI Wildland Fire Management:** For the U.S. Department of the Interior, the omnibus appropriates \$948 million for Wildland Fire Management funding and fully funds wildland fire suppression at the 10-year average. Overall, this represents an increase of \$5.5 million over FY 2017 levels, including a \$4 million increase for hazardous fuels management.

Active Forest Management and Comprehensive Wildfire Funding Fix

- **Active Forest Management:** The omnibus will give the U.S. Forest Service (USFS) needed tools to actively manage the National Forest System, including a new 3,000-acre categorical exclusion for hazardous fuels projects and collaborative restoration projects to make forests more resilient to wildfire.

According to the omnibus, "The Committees believe the Service should more precisely and effectively target forest management activities to reduce the threat of catastrophic wildfires, improve the management of the national forests, and assist in protecting other Federal, State, and private lands."

To accomplish this, the bill directs USFS to develop a Fire Hazard Potential mapping tool to identify areas at a high risk for wildfire and describe the resources necessary to address the highest risk areas.

- **Comprehensive Wildfire Funding Fix:** The omnibus secures a responsible wildfire funding fix that will give land agencies certainty in discretionary funding, as well as access to a disaster

cap adjustment beginning in 2020 to help ease the budgetary strain from the growing cost of natural disasters.

Land and Water Conservation Fund

- **The Land and Water Conservation Fund (LWCF)** is funded at \$425 million, a \$25 million increase compared to FY 2017. Half of the increase in spending is directed to the State, Local and Forest Legacy Programs, while the other half is dedicated to Federal Land Acquisition. 53 percent of the LWCF appropriation is under the State, Local and Forest Legacy Programs.

Bureau of Land Management (BLM)

The BLM is funded at \$1.3 billion under the omnibus, \$79 million above the FY 2017 level.

- **BLM Land Acquisition:** The omnibus includes \$24.9 million for BLM Land Acquisition, representing a \$6.5 million cut compared to FY 2017. Federal land acquisition impacts county tax bases because counties cannot levy property taxes on federal land. Counties should have a greater say in federal land acquisitions.
- **Energy and Mineral Development:** The bill would increase funding for oil and gas management and permit processing to increase resource development on federal lands.
- **Administration Report on Wild Horses and Burros:** The omnibus contains a provision directing the administration to provide Congress with a comprehensive, science-based plan to address the cost of the wild horse and burro overpopulation within 30 days of enactment.

U.S. Fish and Wildlife Service (USFWS)

USFWS is funded at \$1.6 billion, a \$75 million increase compared to FY 2017. The increase in funding is directed toward cutting the endangered species delisting

backlog, decreasing the National Wildlife Refuge System deferred maintenance backlog and combating invasive species.

- **USFWS Land Acquisition:** The USFWS Land Acquisition account is funded at \$64 million. This is a \$4 million decrease from the FY 2017 appropriation.
- **Sage Grouse Endangered Species Rider:** The omnibus bill delays any reviews or rulemakings regarding a potential endangered species listing of the greater sage grouse. This ensures that locally-led conservation efforts for the greater sage grouse are given a chance to produce results so that decisions are based on sound science.

National Park Service (NPS)

- **Overall NPS funding increased by \$255 million to \$3.2 billion:** The rise in NPS funding is primarily targeted toward reducing the deferred maintenance backlog in our national parks, including a \$185 million increase in funding to address the NPS deferred maintenance backlog.

Counties depend on a National Park System with first-rate infrastructure to attract federal lands tourists who contribute billions of dollars to local economies each year.

U.S. Forest Service (USFS)

The omnibus provides \$6 billion for the Forest Service, an increase of \$2.8 billion, which includes increases in funding for wildfire fighting and management.

- **Secure Rural Schools (SRS):** SRS is reauthorized for FY 2017 and FY 2018 under the omnibus appropriations bill. The legislation states that SRS payments for FY 2017 will be paid within 45 days of enactment. 720 federal forest counties and 9 million school children depend on these payments to make up for lost timber revenues. SRS payments keep teachers in the classroom, police officers on the beat

and road crews working to construct and maintain county infrastructure. Reauthorization of SRS has long been a top priority for NACo.

- **USFS Wildfire Prevention and Suppression:** Funding for wildland fire suppression and preparedness is increased by \$550 million to \$2.8 billion.
- **Hazardous fuel treatments:** The bill provides \$430 million for hazardous fuel treatments, an increase of \$40 million compared to FY 2017. Hazardous fuel removal and increased fire suppression improves the landscape, reduces the threat of wildfire, protects watersheds and lessens the need for emergency services.
- **USFS Land Acquisition:** \$50 million is appropriated for National Forest System land acquisition, an increase of \$10 million compared to FY 2017.
- **Grazing Management:** The grazing management line item remains level at \$56.9 million. Additionally, both USFS and BLM are required to make vacant grazing allotments available to current permittees or lessees when current allotments become unusable due to drought or wildfire. These provisions will keep the federal grazing system consistent and predictable for ranchers.

Transportation and Infrastructure

Counties are an essential part of the nation's infrastructure system. By providing efficient transportation and transit options such as buses, trains, light rail and subway systems, counties connect residents, businesses and communities and strengthen local economies. The nation's counties annually invest more than \$122 billion in building infrastructure and maintaining and operating public works. Counties own and maintain 46 percent of America's roads, 38 percent of all bridges, 78 percent of America's public transit systems and are involved in the operation of one-third of the nation's airports.

U.S. Department of Transportation (DOT)

The FY 2018 omnibus provides \$70.3 billion for the U.S. Department of Transportation (DOT), a \$12.65 billion increase above FY 2017. Much of this increase was designed as part of a \$10 billion infrastructure boost included in the Congressional budget agreement reached in February 2018.

Although the president recently released his \$1.5 trillion, 10-year infrastructure plan, the omnibus does not include money for many of the new programs proposed by the White House and instead directs additional money at existing programs.



Advocacy in action: At a March 6 Capitol Hill briefing titled "America's Counties: The Foundation for American Infrastructure," NACo Central Region Rep. Cindy Bobbit of Grant County, Okla. discusses federal infrastructure programs important to counties.

THE OMNIBUS PROVIDES \$10 BILLION IN INFRASTRUCTURE SPENDING ACROSS SEVERAL FEDERAL AGENCIES AND PROGRAMS, INCLUDING:

INFRASTRUCTURE PROGRAMS IN FY18 OMNIBUS	INCREASE
DOT FEDERAL TRANSIT ADMINISTRATION'S CAPITAL INVESTMENT GRANTS	\$2.6 BILLION
DOT DISCRETIONARY HIGHWAY FUNDING	\$2.5 BILLION
DOT TIGER GRANTS	\$1 BILLION
DOT HIGHWAY TRUST FUND	\$1 BILLION
USDA RURAL BROADBAND PILOT PROGRAM (NEW)	\$600 MILLION
USDA WATER AND WASTE GRANTS AND LOANS	\$500 MILLION
HUD COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)	\$300 MILLION
HUD HOME INVESTMENT PARTNERSHIPS PROGRAM	\$412 MILLION
DHS ELECTION INFRASTRUCTURE	\$380 MILLION
EPA CLEAN WATER REVOLVING FUND	\$300 MILLION
EPA DRINKING WATER REVOLVING FUND	\$300 MILLION

Highway Funding

The omnibus bill allocates \$45 billion from the Highway Trust Fund to be spent on the Federal-Aid Highways Program, which is \$3.5 billion above FY 2017 levels. This funding matches the levels authorized in the "Fixing America's Surface Transportation Act" (FAST Act), enacted in 2015. Counties rely on this funding to maintain a strong federal-state-local partnership for the building and maintenance of American's infrastructure.

- Major increase to TIGER Grant program:** The omnibus triples funding for National Infrastructure Investment Grants (also known as TIGER grants), making \$1.5 billion available until September 30, 2020. The omnibus strictly prohibits these funds from being "obligated for the Office of the Secretary of Transportation to approve assessments or reimbursable agreements pertaining to funds appropriated to the modal administrations." Slated for elimination

in the president's FY 2018 and 2019 budget requests, TIGER Grants have a direct impact on counties' ability to utilize federal dollars within communities.

- Funding for Road and Bridge Projects Increased:** The omnibus provides \$1.98 billion to fund road and bridge projects that qualify for the surface transportation block grant program. The bill funds Surface Transportation Block Grant Program at \$11.67 billion, \$242 million over the FY 2017 levels. This will provide added federal capital that will allow counties to address the renovation, expansion and rehabilitation of bridges.
- New Bridge Bundling Programs:** The omnibus provides \$225 million for a new discretionary competitive grant program for a highway bridge program for States that have a population density of less than 100 individuals per square mile. The funds will allow for

highway bridge replacement or rehabilitation projects on public roads that demonstrate cost savings by bundling multiple highway bridge projects. Counties have utilized state bridge-bundling programs in the past, and this new federal investment will allow counties to pool their resources for greater buying power, providing much needed cost-savings for bridge projects.

- **Transportation, Planning, Research, and Development:** The omnibus provides \$14 million for planning, research and development activities, which includes \$1.5 million for the creation of a new office, the Interagency Infrastructure Permitting Improvement Center (IIPIC). This builds upon the administration's goal of streamlining the permit processing process, saving time and money for counties obtaining necessary federal permits to begin projects.

Rail and Transit Funding

The Federal Railroad Administration (FRA) is funded at \$1.85 billion, an increase of \$173 million over FY 2017 levels. The bill provides \$13.5 billion in total budgetary resources for the Federal Transit Administration (FTA), \$1 billion above FY 2017 levels.

- **Amtrak:** The bill provides \$1.94 billion for Amtrak, an increase of almost \$446 million, and specifically allocates \$650 million for Amtrak's Northeast Corridor and \$1.29 billion to support the National Network. The final legislation also implements overtime limits for Amtrak employees to reduce unnecessary costs.
- **Rail Safety:** Rail safety and research programs are funded at \$287 million, \$29 million above FY 2017. This will fund inspectors, training and research programs. In addition, the bill provides \$593 million for safety improvement grants and investments to physical rail

infrastructure to help ensure the safety of passengers and local communities.

- **Transit Formula Grants:** Transit formula grants total \$9.7 billion – consistent with FY 2017 authorization levels – to help local communities build, maintain and ensure the safety of their mass transit systems. Within this amount, \$2.6 billion is provided for Capital Investment Grants.
- **Consolidated Rail Infrastructure and Safety Improvements (CRIS) Grant Program:** The bill provides \$592.5 million for the CRIS Grant Program, \$527.3 million above the FY 2017 level. These grants are meant to leverage private, state and local investments to boost a wide range of rail projects, including the potential for implementing positive train control, improving highway-rail grade crossings, mitigating congestion, repairing or replacing railroad assets, and enhancing intercity passenger rail transportation. The Gateway Project funding, intended to replace the Portal North Bridge and North River Tunnel to ease connections between New Jersey and New York's Penn Station, has been a source of debate between the administration and members of Congress. The Gateway Project would be eligible to apply for the CRIS Grant Program for the requested \$540 million without approval from DOT.

Federal Aviation Administration (FAA)

Included in the legislation is \$18 billion in total budgetary resources for the Federal Aviation Administration (FAA) – \$1.59 billion above FY 2017. Facing a March 30 deadline, FAA reauthorization was extended through FY 2018 to avert a shutdown of agency operations. This will provide funding for all air traffic control personnel, including over 14,000 air traffic controllers, 7,000 safety inspectors and operational support personnel. Counties play a critical role in the

nation's air transportation system. Counties own 34 percent of the nation's publicly-owned airports. President Trump's FY 2018 budget requested a shift of the air traffic control function of the FAA to an independent non-governmental organization, which could have negatively impacted counties if the new organization decided to either eliminate some tower functions or curtail hiring at major commercial hubs.

- **Next Generation Air Transportation Systems (NextGen):** The omnibus builds on several years of increased funding for the FAA's Next Generation Air Transportation Systems (NextGen) by providing \$1.3 billion, \$300 million more than FY 2017, and funds Contract Towers at \$165 million, \$6 million more than FY 2017. These investments are aimed at helping to ease future congestion and reduce delays for travelers in U.S. airspace.
- **Noise mitigation:** The omnibus includes \$2 million to address aviation noise concerns, including engaging the impacted communities. Counties are sometimes faced with flightpath noise disturbances, and this federal investment will allow for resources to be made available to address this issue.
- **Essential Air Service (EAS) Program:** The omnibus includes \$155 million for the EAS Program, which complies with the 2014 Compliance Order capping the program at \$200 million annually. The \$155 million dollars in FY 2018 is a \$5 million increase above the FY 2017 level and a \$57 million increase above President Trump's FY 2018 budget request. The EAS program assists airlines in serving rural counties impacted by federal deregulation of the airlines industry.
- **Small Community Air Service Development Program (SCASDP):** The omnibus includes \$10 million for the

Small Community Air Service Development Program (SCASDP), a \$5 million increase above the FY 2017 level. SCASDP provides communities the opportunity to self-identify their air service needs and propose solutions. Participation in the program is limited to those communities where the airport is not larger than a primary small hub, the service is insufficient and the air fares to the community are unreasonably high.

Transportation Safety Programs

The legislation contains funding for various transportation safety programs and agencies within the U.S. Department of Transportation.

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The omnibus includes new funding of more than \$100 million for research and demonstrations of automated vehicles, with \$60 million being directed toward demonstration grants.

- **National Highway Traffic Safety Administration (NHTSA):** The omnibus provides \$200 million in total budgetary resources for the National Highway Traffic Safety Administration, an increase of \$20.5 million over the FY 2017 level, and \$845 million for the Federal Motor Carrier Safety Administration, \$201 million over the FY 2017 level.
- **Pipeline and Hazardous Materials Safety Administration (PHMSA):** Also included in the omnibus is \$272 million for the Pipeline and Hazardous Materials Safety Administration, an increase of \$8 million over FY 2017.

- **Autonomous Vehicles:** The omnibus includes new funding of more than \$100 million for research and demonstrations of automated vehicles, with \$60 million being directed toward demonstration grants. Since counties own 45 percent of the nation's roads, we must not only be prepared, but also take an active role in how this technology is implemented and regulated.
- **Policy Rider on Truck Drivers' Hours Transporting Livestock:** The bill includes NACo supported language to exempt livestock and insect haulers from the Electronic Logging Device (ELD) and Hours of Service Final Rule through FY 2018. Federal regulation mandating the use of an electronic logging device for agricultural transportation drivers does not take into account delays drivers will encounter in the process of loading, unloading and transporting livestock, which could result in inhumane animal treatment, devalued livestock pricing and further economic hardship to rural counties.

Not included in the omnibus

As in previous years, there is no funding provided for high-speed rail. NACo supports efforts to improve and expand regional and national high-speed rail service to serve those counties and regions that would benefit from such services. However, NACo opposes the use of funds from the Highway Trust Fund for high-speed rail and believes there should be no preemption of state and local taxing authority and no negative impact on any current commuter rail funding.

NACo LEGISLATIVE STAFF

MATTHEW D. CHASE

EXECUTIVE DIRECTOR

mchase@naco.org • 202.942.4201

DEBORAH COX

LEGISLATIVE DIRECTOR

dcox@naco.org • 202.942.4286

BRIAN BOWDEN

ASSOCIATE LEGISLATIVE DIRECTOR

Health

bbowden@naco.org • 202.942.4275

DARIA DANIEL

ASSOCIATE LEGISLATIVE DIRECTOR

Community, Economic & Workforce Development

ddaniel@naco.org • 202.942.4212

ERYN HURLEY

ASSOCIATE LEGISLATIVE DIRECTOR

Human Services & Education

ehurley@naco.org • 202.942.4204

JACK PETERSON

ASSOCIATE LEGISLATIVE DIRECTOR

Finance, Pensions & Intergovernmental Affairs

jpeterson@naco.org • 202.661.8805

ARTHUR SCOTT

ASSOCIATE LEGISLATIVE DIRECTOR

Agriculture & Rural Affairs

Political Outreach Manager | Rural Action Caucus

ascott@naco.org • 202.942.4230

AUSTIN IGLEHEART

LEGISLATIVE ASSOCIATE

Veterans and Military Services

aigleheart@naco.org • 202.942.4260

VALERIE BRANKOVIC

LEGISLATIVE ASSISTANT

vbrankovic@naco.org • 202.942.4254

HADI SEDIGH

ASSOCIATE LEGISLATIVE DIRECTOR

Justice & Public Safety

Large Urban County Caucus

hsedigh@naco.org • 202.942.4213

JONATHAN SHUFFIELD

ASSOCIATE LEGISLATIVE DIRECTOR

Public Lands | Western Interstate Region

jshuffield@naco.org • 202.942.4207

KEVAN STONE

ASSOCIATE LEGISLATIVE DIRECTOR

Transportation

kstone@naco.org • 202.942.4217

JACOB TERRELL

ASSOCIATE LEGISLATIVE DIRECTOR

Telecommunications & Technology

jterrell@naco.org • 202.942.4256

JULIE UFNER

ASSOCIATE LEGISLATIVE DIRECTOR

Environment, Energy & Land Use

jufner@naco.org • 202.942.4269

SOFIA FERBER

LEGISLATIVE ASSISTANT

sferber@naco.org • 202.661.8829

ZACHARY GEORGE

LEGISLATIVE ASSISTANT

zgeorge@naco.org • 202.661.8819